

01-00337

BEFORE THE TENNESSE REGULATORY AUTHORITY

REC'D TH
REGULATORY AUTH.
01 APR 16 PM 1 13
OFFICE OF THE
EXECUTIVE SECRETARY

IN THE MATTER OF THE APPLICATION
OF 1-800-RECONEX, INC. FOR A
CERTIFICATE TO PROVIDE COMPETITIVE
LOCAL TELECOMMUNICATION SERVICES

**APPLICATION FOR CERTIFICATE TO PROVIDE
COMPETING LOCAL TELECOMMUNICATIONS SERVICES**

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the Federal Communications Act of 1996 ("Act"), 1-800-RECONEX, Inc. ("Reconex") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant Reconex authority to provide competing local telecommunications services, including exchange access telecommunications services within the state of Tennessee. Reconex is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local telecommunications services. TCA 65-4-201

In support of its Application, Reconex submits the following:

1. The full name and address of the Applicant is:

1-800-RECONEX, Inc.
2500 Industrial Avenue
Hubbard, Oregon 97032
503-982-8000 (Telephone)
503-982-6077 (Facsimile)

Questions regarding this application should be directed to:

Anne Lynch
Regulatory Manager
2500 Industrial Ave., P.O. Box 40
Hubbard, Oregon 97032
503-982-5572 (Telephone)
503-982-6077 (Facsimile)

Contact name and address at the Company is:

Attn: Anne Lynch, Regulatory Manager
1-800-RECONEX, Inc.
P.O. Box 40
Hubbard, Oregon 97032
503-982-8000 (Telephone)
503-982-6077 (Facsimile)

2. Organizational Chart of Corporate Structure: Include any pertinent acquisitions or merger information

See Exhibit A

3. Corporate Information

1-800-RECONEX, Inc. was incorporated in the state of Oregon on March 5, 1998. A copy of Reconex's Articles of Incorporation and amendments are provided in Exhibit B. A copy of Reconex's Authority to transact business in the state of Tennessee is provided in Exhibit C. The names and addresses of the directors and principal corporate officers are in Exhibit D. There are no officers in Tennessee. The biographies of the principal officers and any other key technical staff are in Exhibit E.

4. Reconex possesses the managerial, technical, and financial ability to provide local telecommunications service in the state of Tennessee as demonstrated below:

A. Financial Qualifications:

In support of its financial qualifications, Reconex submits its 2000 year-end balance sheet and income statement as Exhibit F.

B. Managerial Ability:

As shown in Exhibit E to this Application, Reconex has the managerial expertise to successfully operate a telecommunications enterprise in Tennessee. As described in the attached biographical information, Reconex's management team has extensive management and business experience in telecommunications.

C. Technical Qualifications:

Reconex services will satisfy the minimum standards established by the TRA. The Company will file and maintain tariffs in the manner prescribed by the TRA and will meet minimum basic local standards, including quality of service and billing standards required by all LEC's regulated by the TRA. Applicant will not require customers to purchase CPE, which cannot be used with the Incumbent Local exchange Carrier's systems. As noted in the biographies (Exhibit E) of the principal officers, of the corporation have experience in the telecommunication and business sector

5. Proposed Service Area:

Reconex is already authorized to provide telecommunications service in Alabama, Arizona, Arkansas, California, Connecticut, District of Columbia, Florida, Hawaii, Idaho, Illinois, Iowa, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, New Jersey, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Utah, Virginia, Vermont, Washington, West Virginia, Wisconsin, Wyoming and was certified to provide Resell Telecommunications Services in Tennessee on July 9, 1997 (Company ID: 126366).

Reconex proposes to offer its services throughout the state of Tennessee with none of its own switches located in the state of Tennessee. Reconex intends to offer its broad range of telecommunications services through the use of the facilities of BellSouth, Sprint/United and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996.

6. Types of Local Exchange Service to be provided:

Reconex expects to offer a broad variety of local exchange services, to residential and business customers in Tennessee. Reconex's initial line of local services will be comparable to that currently offered by the incumbent LECs. Initially Reconex plans to offer basic access line service.

7. Repair and Maintenance:

Reconex understands the importance of effective customer service for local service customers. Reconex has made arrangements for its customers to call the company at its toll-free customer service number 1-800-275-8223. In addition, customers may contact the company in writing at the headquarters address, as well as via email at mail@reconex.com. The toll free number will be printed on the customer's monthly billing statements. The contact person knowledgeable about providers operations is Anne Lynch, Regulatory Manager. She can be reached at 503-982-5572 (telephone); 503-982-6077 (facsimile); P.O. Box Industrial Ave., Hubbard, OR 97032; or anne.lynch@reconex.com.

Granting the Application will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the state of Tennessee. In addition, intrastate offering of these services is in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings. Authorizing Reconex to provide local exchange telecommunications services will enhance materially the telecommunications infrastructure in the state of Tennessee and will facilitate economic development.

In particular, the public will benefit both directly, through the use of the competitive services to be offered by Reconex and indirectly, because Reconex's presence in Tennessee will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Granting this Application will further enhance the service options available to Tennessee citizens for the reasons set forth above.

8. Small and Minority-Owned Telecommunications Business Participation Plan (65-5-212):

N/A. Reconex is a Small Business with annual gross receipts of less than four million dollars (4,000,000). Reconex is a non-facilities based corporation with no facilities, lines, equipment, etc. in the state of Tennessee. Reconex does not provide goods and services to telecommunications service providers nor does Reconex compete or offer contracts and subcontracts for goods and services.

9. Toll Dialing Parity Plan:

N/A. Reconex provides local exchange service with complete toll blocking to individuals who have had credit problems or choose not to get basic service from their local exchange carrier.

As a reseller of local exchange, with complete toll blocking, Reconex does not have a billing collection agreement with any long distance carrier. Reconex is not a customer of any long distance carrier and in fact goes to great lengths to not be a customer of any long distance carrier by the purchase of lines with complete toll restriction and billed number screening service. However, Reconex's customers can purchase prepaid long distance and/or prepaid long distance cards from any long distance provider they choose.

10. Applicant has served notice of this application to the eighteen (18) incumbent local exchange telephone companies in Tennessee. See Exhibit G for the list.

11. Tennessee Specific Operational Issues:

Reconex is a non-facilities based corporation with no facilities in the state of Tennessee. However, payment agents will be located throughout the state of Tennessee.

12. Miscellaneous:

- A. Sworn Pre-filed testimony: Exhibit H
- B. Application does not require customer deposits
- C. Complaints in any of the states, in which Reconex is doing business:

As explained in the pre-filed testimony of Dave Griffie, Reconex was served with a formal Complaint from the Washington Utilities and Transportation Commission (WUTC) on July 23, 1999. The Complaint alleged violations of various Washington Administrative Rules and were largely in the nature of meeting specific time frames for the delivery of bills and the filing of disconnection notices, charging the proper

amounts under the tariff, and the ultimate disconnection of the customer. The Commission and Reconex agreed that the bulk of these issues were caused by the Reconex system, which at the time, was not capable of programming on a state specific basis and developed a settlement plan geared around system improvements and the possibility imposition of fines if the alleged violations continued.

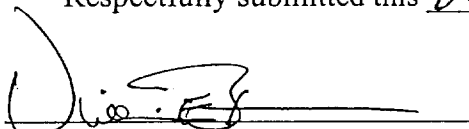
Reconex has not been the subject of any other investigations or complaints by regulatory authority.

D.: A copy of our tariff is attached as Exhibit I.

CONCLUSION:

Reconex respectfully requests that the TRA enter an order granting it a certificate of convenience and necessity to operate as a competing telecommunication service provider and authority to provide a full range of local exchange on a facilities-based and resale basis throughout the state of Tennessee. For the reasons stated above, Reconex provision of these services would promote the public interest by providing high-quality service at competitive prices and by creating greater economic incentives for the development and improvement for all competing providers.

Respectfully submitted this 29th day of March, 2001



William E. Braun
Counsel for 1-800-RECONEX, Inc.

EXHIBIT
“A”

Organization Chart of Corporate Structure
1-800-RECONEX, Inc.

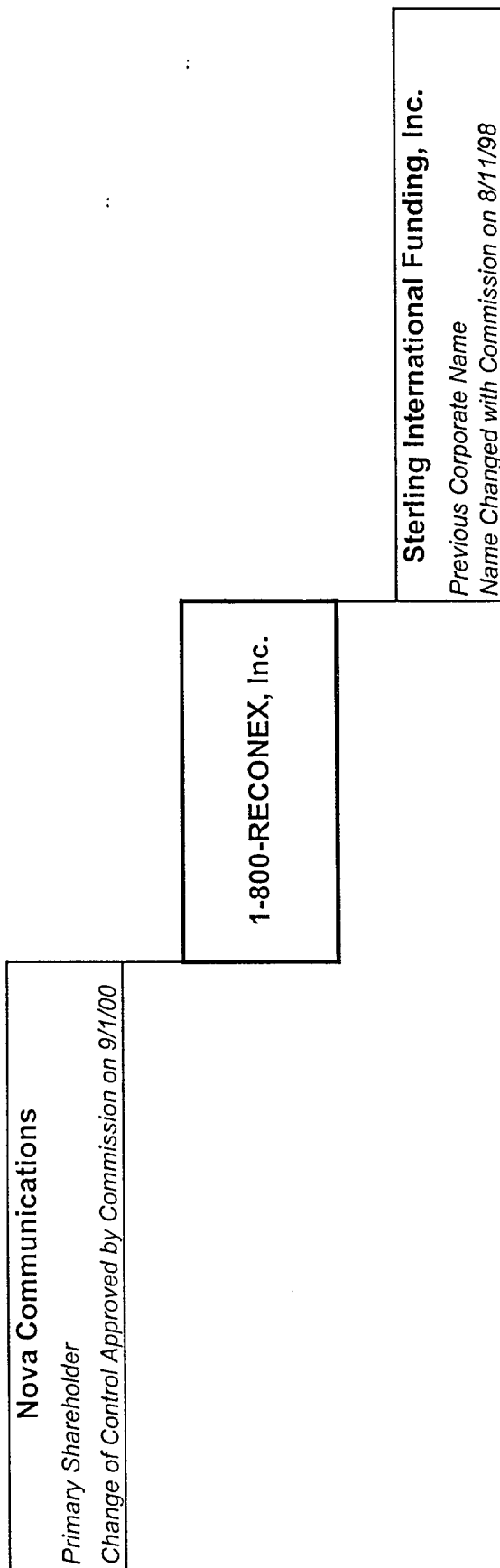


EXHIBIT
“B”

CERTIFICATE

State of Oregon

OFFICE OF THE SECRETARY OF STATE
Corporation Division

I, **BILL BRADBURY**, Secretary of State of Oregon, and Custodian of the Seal
of said State, do hereby certify:

That the attached Document File for:
1-800-RECONEX, INC.

is a true copy of the original documents
that have been filed with this office.



In Testimony Whereof, I have hereunto set
my hand and affixed hereto the Seal of the
State of Oregon.

BILL BRADBURY, Secretary of State

By



Marilyn R. Smith

October 13, 2000

621283-85

ARTICLES OF INCORPORATION

OF

1-800-RECONEX, Inc.

FILED

MAR 05 1998

OREGON
SECRETARY OF STATE

The undersigned individual of the age of eighteen years or more, acting as incorporator under the Oregon Business Corporation Act, adopts the following articles of incorporation:

ARTICLE I.

CORPORATION NAME

The name of the corporation is 1-800-RECONEX Inc.

ARTICLE II.

STOCK

A. The aggregate number of shares which the corporation shall have authority to issue shall consist of 10,000,000 shares of common stock ("Common Stock"), \$0.01 par value and 1,000,000 shares of preferred stock ("Preferred Stock"), \$0.01 par value.

B. The Board of Directors is hereby authorized to fix or alter the rights, preferences, privileges and restrictions granted to or imposed upon additional series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or of any of them. Subject to compliance with applicable protective voting rights which have been or may be granted to the Preferred Stock or series thereof by law or in Articles of Amendment adopted by the Board of Directors ("Protective Provisions"), but notwithstanding any other rights of the Preferred Stock or any series thereof, the rights, privileges, preferences and restrictions of any such additional series may be subordinated to, made pari passu with (including, without limitation, inclusion in provisions with respect to liquidation and acquisition preferences, redemption and/or approval of matters by vote or written consent), or made senior to any of those of any present or future class or series of Preferred or Common Stock. Subject to compliance with applicable Protective Provisions, the Board of Directors is also authorized to increase or decrease the number of shares of any series, prior or subsequent to the issue of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

621283-85

ARTICLE III.

REGISTERED AGENT

The address of the initial registered office of the corporation is Ater Wynne Hewitt Dodson & Skeritt, LLP, 222 S.W. Columbia, Suite 1800, Portland, Oregon 97201 and the name of the initial registered agent of the corporation at such address is AW Services, Inc. The mailing address of the corporation for notices is c/o Ater Wynne Hewitt Dodson & Skeritt, LLP, 222 S.W. Columbia, Suite 1800, Portland, Oregon 97201.

A 593922-85

ARTICLE IV.

INCORPORATOR

The name and address of the incorporator are: Jack W. Schifferdecker, Jr., Ater Wynne Hewitt Dodson & Skeritt, LLP, 222 S.W. Columbia, Suite 1800, Portland, Oregon 97201.

ARTICLE V.

DIRECTOR LIABILITY

No director of the corporation shall be personally liable to the corporation or its shareholders for monetary damages for conduct as a director; provided that this Article V shall not eliminate the liability of a director for any act or omission for which such elimination of liability is not permitted under the Oregon Business Corporation Act. No amendment to the Oregon Business Corporation Act that further limits the acts or omissions for which elimination of liability is permitted shall affect the liability of a director for any act or omission that occurs prior to the effective date of such amendment.

ARTICLE VI.

INDEMNIFICATION

A. Indemnification. The corporation shall indemnify to the fullest extent not prohibited by law any Person who was or is a party or is threatened to be made a party to any Proceeding against all expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the Person in connection with such Proceeding. Notwithstanding the foregoing, the corporation shall not indemnify any Person from or on account of acts or omissions of such Person of a type for which liability could not be eliminated for a director under ORS 60.047(2)(d).

B. Advancement of Expenses. Expenses incurred by a Person in defending a Proceeding shall in all cases be paid by the corporation in advance of the final disposition of such Proceeding at the written request of such Person, if the Person:

621283-85

1. furnishes the corporation a written affirmation of the Person's good faith belief that such Person has met the standard of conduct described in the Oregon Business Corporation Act or is entitled to be indemnified by the corporation under any other indemnification rights granted by the corporation to such Person; and

2. furnishes the corporation a written undertaking to repay such advance to the extent it is ultimately determined by a court that such Person is not entitled to be indemnified by the corporation under this Article or under any other indemnification rights granted by the corporation to such Person.

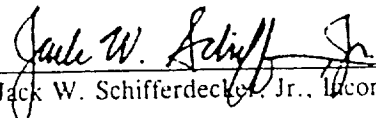
Such advances shall be made without regard to the Person's ability to repay such advances and without regard to the Person's ultimate entitlement to indemnification under this Article or otherwise.

C. Definition of "Proceeding" and "Person". The term "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether brought in the right of the corporation or otherwise and whether of a civil, criminal, administrative, or investigative nature, in which an individual may be or may have been involved as a party or otherwise by reason of the fact that the individual is or was a director or officer of the corporation or a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the corporation, or is or was serving at the request of the corporation as a director, officer, or fiduciary of an employee benefit plan of another corporation, partnership, joint venture, trust, or other enterprise, whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification or advancement of expenses can be provided under this Article. The term "Person" means any individual serving in a capacity described in this Paragraph.

D. Non-Exclusivity and Continuity of Rights. This Article: (i) shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, agreement, general or specific action of the board of directors, vote of stockholders or otherwise, both as to action in the official capacity of the Person indemnified and as to action in another capacity while holding office, (ii) shall continue as to a Person who has ceased to be a director or officer, (iii) shall inure to the benefit of the heirs, executors, and administrators of such Person, and (iv) shall extend to all claims for indemnification or advancement of expenses made after the adoption of this Article.

E. Amendments. Any repeal of this Article shall only be prospective and no repeal or modification hereof shall adversely affect the rights under this Article in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any Proceeding.

Date: March 2, 1998


Jack W. Schifferdecker, Jr., Incorporator



Phone (503) 300-2200
Fax (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

Check the appropriate box below:

- ☒ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1,2,3,4,10,11)
☐ FOR PARENT AND 90% OWNED SUBSIDIARY
WITHOUT SHAREHOLDER APPROVAL
(Complete only 5,6,7,8,9,10,11)

ARTICLES OF MERGER

For office use only

FILED

MAR 05 1998

OREGON
SECRETARY OF STATE

Registry Number

621283-85

Attach Additional Sheet if Necessary

Please Type or Print Legibly in Black Ink

BUSINESS/PROFESSIONAL/NONPROFIT CORPORATION ONLY

1) NAMES OF THE CORPORATIONS PROPOSING TO MERGE

A. 1-800-RECONEX, Inc., an Oregon corporation

B. Sterling International Funding, Inc., a Nevada corporation

2) NAME OF THE SURVIVING CORPORATION 1-800-RECONEX, Inc., an Oregon corporation

☐ Check here if there is a name change in this plan of merger

3) A COPY OF THE MERGER PLAN IS ATTACHED.

4) CHECK THE APPROPRIATE STATEMENTS FOR CORPORATION A AND CORPORATION B BELOW.

CORPORATION A

- ☒ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors.
☐ Shareholder/membership approval was required. The vote was as follows:

If Corporation A is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common			

If Corporation A is a nonprofit corporation:

Classes entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

CORPORATION B

- ☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors.
☒ Shareholder/membership approval was required. The vote was as follows:

If Corporation B is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common	25,000	25,000	0

If Corporation B is a nonprofit corporation:

Classes entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

FOR PARENT AND 90% OWNED SUBSIDIARY WITHOUT SHAREHOLDER APPROVAL

5) NAME OF PARENT CORPORATION

Oregon Registry Number

6) NAME OF SUBSIDIARY CORPORATION

Oregon Registry Number

7) NAME OF SURVIVING CORPORATION

8) COPY OF PLAN

☐ A copy of the plan of merger setting forth the manner and basis of converting shares of the subsidiary into shares, obligations, or other securities of the parent corporation or any other corporation or into cash or other property is attached.

9) CHECK THE APPROPRIATE BOX

- ☐ A copy of the plan of merger or summary was mailed to each shareholder of record of the subsidiary corporation on or before 19__.
☐ The mailing of a copy of the plan or summary was waived by all outstanding shares.

10) EXECUTION

Printed Name

Todd M. Meislahn

Signature

Title

President

11) CONTACT NAME

Brenda Welter, Paralegal

DAYTIME PHONE NUMBER

(503) 226-1191

FEES

Make check for \$10 payable to "Corporation Division"

NOTE: Filing fees may be paid with VISA or Master Card. The card number and expiration date should be submitted on a separate sheet for your protection.

Said 3/5

62/283-85

PLAN OF MERGER

Plan of Merger dated as of March 5, 1998 ("Plan of Merger") between Sterling International Funding, Inc., a Nevada corporation ("Sterling"), and 1-800-RECONEX, Inc., an Oregon corporation ("Reconex").

TERMS AND CONDITIONS:

The Boards of Directors of Sterling and Reconex deem it advisable and in the best interests of Sterling and Reconex and in the best interests of the shareholders of Sterling and Reconex that Sterling be merged with and into Reconex (the "Merger").

NOW, THEREFORE, Sterling and Reconex hereby agree as follows:

I. Constituent Corporations.

A. Sterling is duly incorporated and validly existing under the laws of the state of Nevada and its principal place of business is P.O. Box 9, Hubbard, Oregon 97032.

B. Reconex is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is P.O. Box 9, Hubbard, Oregon 97032.

II. The Merger.

2.01 In accordance with Or. Rev. Stat. § 60.494 and Nevada Revised Statutes Chapter 78, the Merger shall become effective at the time (herein referred to as the "Effective Time"): (i) Articles of Merger in substantially the form of Exhibit 1 hereto, together with this Plan of Merger annexed thereto are filed with the respective Secretary of State of the State of Oregon and the State of Nevada; or (ii) such later date or time as may be specified in the Articles of Merger by agreement of Sterling and Reconex.

2.02 At the Effective Time, Sterling shall be merged with and into Reconex upon the terms and conditions set forth in this Plan of Merger in accordance with the requirements of Oregon law and Nevada law. Thereupon, the separate corporate existence of Reconex, with all of its rights, privileges, immunities, powers, and purposes shall continue unaffected and unimpaired by the Merger, and Reconex, as the corporation surviving the Merger, shall be fully vested therewith. The separate corporate existence of Sterling shall cease upon the Merger becoming effective as herein provided and thereupon Reconex and Sterling shall be a single corporation.

2.03 At the Effective Time, Reconex shall succeed to all of the rights, privileges, powers, immunities and franchises of Sterling, all of the properties and assets of Sterling, and all of the debts, choses in action and other interest due or belonging to Sterling, and shall be subject to, and responsible for, all of the debts, liabilities, and obligations of Sterling, with the effect set forth in the Oregon Business Corporation Act and the Nevada Business Corporation Act.

621283-85

III. Articles of Incorporation, Bylaws and Board of Directors and Officers of Reconex.

3.01 The Articles of Incorporation of Reconex in effect immediately prior to the Effective Time shall be the Articles of Incorporation of Reconex after the Effective Time until amended in accordance with provisions of the Oregon Business Corporation Act.

3.02 The Bylaws of Reconex in effect immediately prior to the Effective Time shall be the Bylaws of Reconex after the Effective Time until amended thereafter as provided therein or in accordance with provisions of the Oregon Business Corporation Act.

3.03 The directors and officers of Reconex immediately prior to the Effective Time shall constitute the Board of Directors and the officers, respectively, of Reconex after the Effective Time until expiration of their current terms as such, or prior resignation, removal or death, subject to the Articles of Incorporation and Bylaws of Reconex.

IV. Conversion of Shares.

At the Effective Time, each share of the issued and outstanding Common Stock having \$0.001 par value of Sterling shall be converted into the right to receive from Reconex 44.1176 fully paid, validly issued and nonaccessible shares of Reconex Common Stock and all shares of Sterling Common Stock shall be canceled without any further consideration being issued or paid therefore.

V. Abandonment of the Merger.

Notwithstanding the approval of this Plan of Merger by the Boards of Directors of Reconex or Sterling, the Merger may be abandoned in this Plan of Merger may be terminated at any time prior to the Effective Time.

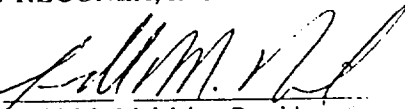
VI. Articles of Merger.

Articles of Merger as required by Or. Rev. Stat. § 60.494 and the Nevada Revised Statutes Chapter 78 shall be filed with the Secretary of State of the State of Oregon and the Secretary of State of the State of Nevada on such date as may be designated by the Boards of Directors of Reconex and Sterling.

IN WITNESS WHEREOF, this Plan of Merger has been executed as of the day and year first above written.

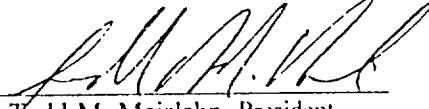
1-800-RECONEX, INC.

By:


Todd M. Meislahn, President

STERLING INTERNATIONAL FUNDING, INC.

By:


Todd M. Meislahn, President



Phone: (503) 986-2200
Fax: (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

ARTICLES OF MERGER

For office use only

FILED

MAY 01 1998

OREGON
SECRETARY OF STATE

Registry Number 621283-85

Attach Additional Sheet if Necessary

Write Type or Print Legibly in Black Ink

Check the appropriate box below:

- ☐ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1,2,3,4,10,11)
- ☒ FOR PARENT AND 90% OWNED SUBSIDIARY
WITHOUT SHAREHOLDER APPROVAL
(Complete only 5,6,7,8,9,10,11)

BUSINESS/PROFESSIONAL/NONPROFIT CORPORATION ONLY

NAMES OF THE CORPORATIONS PROPOSING TO MERGE

A. _____
B. _____

NAME OF THE SURVIVING CORPORATION

☐ Check here if there is a name change in this plan of merger

A COPY OF THE MERGER PLAN IS ATTACHED.

CHECK THE APPROPRIATE STATEMENTS FOR CORPORATION A AND CORPORATION B BELOW.

CORPORATION A

- ☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors.
- ☐ Shareholder/membership approval was required. The vote was as follows:

If Corporation A is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

If Corporation A is a nonprofit corporation:

Classes entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

CORPORATION B

- ☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors.
- ☐ Shareholder/membership approval was required. The vote was as follows:

If Corporation B is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

If Corporation B is a nonprofit corporation:

Classes entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

FOR PARENT AND 90% OWNED SUBSIDIARY WITHOUT SHAREHOLDER APPROVAL

NAME OF PARENT CORPORATION 1-800-RECONEX, Inc., an Oregon corporation

Oregon Registry Number 621283-85

NAME OF SUBSIDIARY CORPORATION Fast Connections, Inc., a Texas corporation

Oregon Registry Number _____

NAME OF SURVIVING CORPORATION 1-800-RECONEX, Inc.

COPY OF PLAN

A copy of the plan of merger setting forth the manner and basis of converting shares of the subsidiary into shares of the parent corporation or any other corporation or into cash or other property is attached.

CHECK THE APPROPRIATE BOX

A copy of the plan of merger or summary was mailed to each shareholder of record of the subsidiary on or before _____.

The mailing of a copy of the plan or summary was waived by an outstanding shares _____.

EXECUTION

Printed Name

Signature

Title

Todd M. Meislahn

President

CONTACT NAME

DAYTIME PHONE NUMBER

Brenda Welter, Paralegal

(503) 226-1191

FEES

Make check to: Secretary of State
Corporation Division

NOTE: Filing fees may be paid with a credit card or money order. The card number and expiration date should be submitted on a separate sheet of paper.

5/1/98

621283-85

PLAN OF MERGER

Plan of Merger dated as of April 30, 1998 ("Plan of Merger") between Fast Connections, Inc., a Texas corporation ("FC"), and 1-800-RECONEX, Inc., an Oregon corporation ("Reconex").

RECITALS:

- A. FC has authorized Stock consisting of 10,000 shares of Common Stock having \$0.10 par value, of which 1,517.714 shares are issued and outstanding.
- B. Reconex owns beneficially and of record 1,517.714 shares of the Common Stock of FC, representing 100 percent of the issued and outstanding common stock of FC.
- C. The Boards of Directors of FC and Reconex deem it advisable and in the best interests of FC and Reconex and in the best interests of the shareholders of FC and Reconex that FC be merged with and into Reconex (the "Merger").
- D. The Board of Directors of Reconex desires to accomplish the merger in accordance with the provisions of Or. Rev. Stat § 60.491.

TERMS AND CONDITIONS:

NOW, THEREFORE, FC and Reconex hereby agree as follows:

I. Constituent Corporations.

1.1 FC is duly incorporated and validly existing under the laws of the state of Texas and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

1.2 Reconex is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

II. The Merger.

2.1 In accordance with Or. Rev. Stat. § 60.494 and Texas Business Corporation Act, Article 5.16(B), the Merger shall become effective at the time (herein referred to as the "Effective Time"): (i) Articles of Merger in substantially the form of Exhibit I hereto, together with this Plan of Merger annexed thereto are filed with the Secretary of State of the State of Oregon and the Secretary of State of the State of Texas; or (ii) such later date or time as may be specified in the Articles of Merger by agreement of FC and Reconex.

2.2 At the Effective Time, FC shall be merged with and into Reconex upon the terms and conditions set forth in this Plan of Merger in accordance with the requirements of Oregon law. Thereupon, the separate corporate existence of Reconex, with all of its rights, privileges, immunities, powers, and purposes shall continue unaffected and unimpaired by the Merger, and Reconex, as the corporation surviving the Merger, shall be fully vested therewith. The separate corporate existence of

621283-85

FC shall cease upon the Merger becoming effective as herein provided and thereupon Reconex and FC shall be a single corporation.

2.3 At the Effective Time, Reconex shall succeed to all of the rights, privileges, powers, immunities and franchises of FC, all of the properties and assets of FC, and all of the debts, choices in action and other interest due or belonging to FC, and shall be subject to, and responsible for, all of the debts, liabilities, and obligations of FC, with the effect set forth in the Oregon Business Corporation Act.

III. Articles of Incorporation, Bylaws and Board of Directors and Officers of Reconex.

3.1 The Articles of Incorporation of Reconex in effect immediately prior to the Effective Time shall be the Articles of Incorporation of Reconex after the Effective Time until amended in accordance with provisions of the Oregon Business Corporation Act.

3.2 The Bylaws of Reconex in effect immediately prior to the Effective Time shall be the Bylaws of Reconex after the Effective Time until amended thereafter as provided therein or in accordance with provisions of the Oregon Business Corporation Act.

3.3 The directors and officers of Reconex immediately prior to the Effective Time shall constitute the Board of Directors and the officers, respectively, of Reconex after the Effective Time until expiration of their current terms as such, or prior resignation, removal or death, subject to the Articles of Incorporation and Bylaws of Reconex.

IV. Cancellation of Shares.

At the Effective Time, each share of the issued and outstanding Common Stock of FC shall be canceled without any consideration being issued or paid therefore.

V. Abandonment of the Merger.

Notwithstanding the approval of this Plan of Merger by the Boards of Directors of Reconex or FC, the Merger may be abandoned in this Plan of Merger may be terminated at any time prior to the Effective Time.

VI. Articles of Merger.

Articles of Merger as required by Or. Rev. Stat. § 60.494 and Texas Business Corporation Act, Article 5.16(B), shall be filed with the Secretary of State of the State of Oregon and the Secretary of state of the State of Texas on such date as may be designated by the Boards of Directors of Reconex and FC.

IN WITNESS WHEREOF, this Plan of Merger has been executed as of the day and year first above written.

1-800-RECONEX, INC.

By:

Todd M. Meislahn, President

FAST CONNECTIONS, INC.

By:

Todd M. Meislahn, President



Phone: (503) 986-2200
Fax: (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

Check the appropriate box below:

- ☐ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1,2,3,4,10,11)
- ☒ FOR PARENT AND 90% OWNED SUBSIDIARY
WITHOUT SHAREHOLDER APPROVAL
(Complete only 5,6,7,8,9,10,11)

ARTICLES OF MERGER

FILED

MAY 01 1998

OREGON
SECRETARY OF STATE

Registry Number: 621283-85

Attach Additional Sheet if Necessary
Please Type or Print Legibly in Black Ink

BUSINESS/PROFESSIONAL/NONPROFIT CORPORATION ONLY

1) NAMES OF THE CORPORATIONS PROPOSING TO MERGE

A. _____
B. _____

2) NAME OF THE SURVIVING CORPORATION _____

☐ Check here if there is a name change in this plan of merger

3) A COPY OF THE MERGER PLAN IS ATTACHED.

4) CHECK THE APPROPRIATE STATEMENTS FOR CORPORATION A AND CORPORATION B BELOW.

CORPORATION A

- ☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors.
- ☐ Shareholder/membership approval was required. The vote was as follows:

If Corporation A is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

If Corporation A is a nonprofit corporation:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

CORPORATION B

- ☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors.
- ☐ Shareholder/membership approval was required. The vote was as follows:

If Corporation B is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

If Corporation B is a nonprofit corporation:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

FOR PARENT AND 90% OWNED SUBSIDIARY WITHOUT SHAREHOLDER APPROVAL

5) NAME OF PARENT CORPORATION 1-800-RECONEX, Inc.

Oregon Registry Number 621283-85

6) NAME OF SUBSIDIARY CORPORATION Ameritel Corporation

Oregon Registry Number 279014-87

7) NAME OF SURVIVING CORPORATION 1-800-RECONEX, Inc.

8) COPY OF PLAN

- ☒ A copy of the plan of merger, setting forth the manner and basis of converting shares of the subsidiary into shares, capital stock, or other securities of the parent corporation or any other corporation or into cash or other property is attached.

9) CHECK THE APPROPRIATE BOX

- ☐ A copy of the plan of merger or summary was mailed to each shareholder of record of the subsidiary corporation on or before _____ 19__.
- ☒ The mailing of a copy of the plan or summary was waived by all outstanding shares.

10) EXECUTION

Printed Name

Todd M. Meislahn

Signature

Title

President

11) CONTACT NAME

Brenda Welter, Paralegal

DAYTIME PHONE NUMBER

(503) 226-1191

FEES

Make check for \$10 payable to the Corporation Division.

NOTE: Filing fees may be paid with VISA or MasterCard. The card number and expiration date should be submitted on a separate sheet for your protection.

July 5/98

621283-85

PLAN OF MERGER

Plan of Merger dated as of April 30, 1998 ("Plan of Merger") between Ameritel Corporation, an Oregon corporation ("Ameritel"), and 1-800-RECONEX, Inc., an Oregon corporation ("Reconex").

RECITALS:

A. Ameritel has authorized Stock consisting of 1,000,000 shares of Common Stock having no par value, of which 1,000 shares are issued and outstanding.

B. Reconex owns beneficially and of record 1,000 shares of the Common Stock of Ameritel, representing 100 percent of the issued and outstanding common stock of Ameritel.

C. The Boards of Directors of Ameritel and Reconex deem it advisable and in the best interests of Ameritel and Reconex and in the best interests of the shareholders of Ameritel and Reconex that Ameritel be merged with and into Reconex (the "Merger").

D. The Board of Directors of Reconex desires to accomplish the merger in accordance with the provisions of Or. Rev. Stat. § 60.491.

TERMS AND CONDITIONS:

NOW, THEREFORE, Ameritel and Reconex hereby agree as follows:

I. Constituent Corporations.

1.1 Ameritel is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

1.2 Reconex is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

II. The Merger.

2.1 In accordance with Or. Rev. Stat. § 60.494, the Merger shall become effective at the time (herein referred to as the "Effective Time"): (i) Articles of Merger in substantially the form of Exhibit 1 hereto, together with this Plan of Merger annexed thereto are filed with the Secretary of State of the State of Oregon; or (ii) such later date or time as may be specified in the Articles of Merger by agreement of Ameritel and Reconex.

2.2 At the Effective Time, Ameritel shall be merged with and into Reconex upon the terms and conditions set forth in this Plan of Merger in accordance with the requirements of Oregon law. Thereupon, the separate corporate existence of Reconex, with all of its rights, privileges, immunities, powers, and purposes shall continue unaffected and unimpaired by the Merger, and Reconex, as the corporation surviving the Merger, shall be fully vested therewith. The separate corporate existence of Ameritel shall cease upon the Merger becoming effective as herein provided and thereupon Reconex and Ameritel shall be a single corporation.

62/283-85

2.3 At the Effective Time, Reconex shall succeed to all of the rights, privileges, powers, immunities and franchises of Ameritel, all of the properties and assets of Ameritel, and all of the debts, choices in action and other interest due or belonging to Ameritel, and shall be subject to, and responsible for, all of the debts, liabilities, and obligations of Ameritel, with the effect set forth in the Oregon Business Corporation Act.

III. Articles of Incorporation, Bylaws and Board of Directors and Officers of Reconex.

3.1 The Articles of Incorporation of Reconex in effect immediately prior to the Effective Time shall be the Articles of Incorporation of Reconex after the Effective Time until amended in accordance with provisions of the Oregon Business Corporation Act.

3.2 The Bylaws of Reconex in effect immediately prior to the Effective Time shall be the Bylaws of Reconex after the Effective Time until amended thereafter as provided therein or in accordance with provisions of the Oregon Business Corporation Act.

3.3 The directors and officers of Reconex immediately prior to the Effective Time shall constitute the Board of Directors and the officers, respectively, of Reconex after the Effective Time until expiration of their current terms as such, or prior resignation, removal or death, subject to the Articles of Incorporation and Bylaws of Reconex.

IV. Cancellation of Shares.

At the Effective Time, each share of the issued and outstanding Common Stock of Ameritel shall be canceled without any consideration being issued or paid therefor.

V. Abandonment of the Merger.

Notwithstanding the approval of this Plan of Merger by the Boards of Directors of Reconex or Ameritel, the Merger may be abandoned in this Plan of Merger may be terminated at any time prior to the Effective Time.

VI. Articles of Merger.

Articles of Merger as required by Or. Rev. Stat. § 60.494 shall be filed with the Secretary of State of the State of Oregon on such date as may be designated by the Boards of Directors of Reconex and Ameritel.

IN WITNESS WHEREOF, this Plan of Merger has been executed as of the day and year first above written.

1-800-RECONEX, INC.

AMERITEL CORPORATION

By: 

Todd M. Meislahn, President

By: 

Todd M. Meislahn, President

621283-85

03/15/99 1:36 PM 800#4845 \$10.58
CHECK

FILED

MAR 15 1999

OREGON
SECRETARY OF STATE

**CERTIFICATE ACCOMPANYING
AMENDMENT TO ARTICLES OF INCORPORATION
OF 1-800-RECONEX, INC.
DESIGNATING SERIES A PREFERRED STOCK**

Pursuant to ORS 60.447, 1-800-RECONEX, Inc. (the "Corporation") submits for filing this certificate, together with the Corporation's Amendment to its Articles of Incorporation (the "Amendment"). The Corporation hereby certifies that:

1. The name of the Corporation, prior to the filing of the attached Amendment is 1-800-RECONEX, Inc.
2. A copy of the Amendment is attached hereto.
3. The Amendment was adopted by a designation of the Board of Directors of the Corporation pursuant to ORS 60.134 and the Amendment does not require shareholder approval.
4. The date of adoption of the Amendment was March 6, 1998.

1-800-RECONEX, INC.

By: Todd M. Meislahn
Todd M. Meislahn, President

Person to contact about this filing:

Jack W. Schifferdecker, Jr.
(503) 226-8614 (direct dial)

1 - CERTIFICATE ACCOMPANYING AMENDMENT TO ARTICLES
OF INCORPORATION OF 1-800-RECONEX, INC.

JWS\RECONEX\4741j.ra.ccr

3-15
KD

**AMENDMENT TO ARTICLES OF INCORPORATION
OF 1-800-RECONEX, INC.
DESIGNATING SERIES A PREFERRED STOCK**

The Board of Directors of 1-800-RECONEX, Inc., an Oregon corporation ("Corporation"), under authority of Article II. B of the Corporation's Articles of Incorporation, and pursuant to an action of the Board of Directors authorizing the creation of shares of Series A Preferred Stock hereby establishes the preferences, limitations, conversion features and relative rights of the Series A Preferred Stock as follows:

1. Series Designation. The Corporation shall be authorized to issue 370,000 shares of Series A Preferred Stock, to be known as the ("Series A Preferred Stock").

2. Dividend Provisions.

2.1 The holders of the Series A Preferred Stock shall be entitled to receive dividends at the rate of \$0.14526 per share (i.e. 9% of the original issue price of \$1.614 for the Series A Preferred Stock) (as adjusted for any stock dividends, combinations or splits with respect to such shares) per annum payable out of funds legally available therefor. Dividends shall accrue on each share of Series A Preferred Stock from the date of issue of such share, and shall accrue from day to day, whether or not earned. Dividends on each share of Series A Preferred Stock shall accumulate from the date of issue of such share. Any accumulation of dividends on the Series A Preferred Stock shall not bear interest. Dividends on the Series A Preferred Stock shall be payable in cash and shall be due and payable quarterly in arrears on March 31, June 30, September 30 and December 31 each year; provided, however, that for the first 18 months following the date of issue of the Series A Preferred Stock, the Corporation shall have the option to (i) pay or defer payment of the dividends, and (ii) pay the dividends in cash or in shares of Series A Preferred Stock valued for purposes of the dividend payment at a price equal to the Liquidation Price as defined in Section 3.1 below.

2.2 No dividends (other than a dividend payable solely in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock) shall be paid on any Common Stock during any fiscal year until full dividends on the Series A Preferred Stock for all past dividend periods and the then current dividend period shall have been paid or declared and set apart during that fiscal year and any prior year in which dividends accumulated but remain unpaid.

2.3 No dividends shall be paid on or declared and set apart for any share of Common Stock unless a dividend (including the amount of any dividends required to be paid under Section 2.1 above) is paid with respect to all outstanding shares of Series A Preferred Stock equal to or greater than the aggregate amount of such dividends for all

shares of Common Stock into which each such share of Series A Preferred Stock could then be converted.

3. Liquidation Preference.

3.1 Preferred Stock. In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, the holders of Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the sum of (i) \$1.614 for each outstanding share of Series A Preferred Stock, and (ii) an amount equal to all accrued but unpaid dividends on such share, which sum shall be the "Liquidation Price." If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series A Preferred Stock shall be insufficient to permit the payment to such holders of the Liquidation Price, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series A Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive, but in no event may such holder receive in excess of the preferential amount established for such series.

3.2 Common Stock. Upon the completion of the distributions of the Liquidation Price, and the completion of any requisite distributions to the holders of any other series or class of stock entitled to preference over the Common Stock in liquidation, the entire remaining assets and funds of the Corporation legally available for distribution, if any, shall be distributed among the holders of the Common Stock in proportion to the shares of Common Stock then held by them.

3.3 Treatment of Reorganizations, Consolidations, Mergers, and Sales of Assets. A reorganization, a consolidation or merger of the Corporation (other than for the sole purpose of reincorporating) or sale of all or substantially all of the assets of the Corporation shall be regarded as a liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this Section 3; provided, however, that, in any such event, each holder of Series A Preferred Stock shall have the right to elect the benefits of the provisions of Section 5 hereof in lieu of receiving payment pursuant to this Section 3.

3.4 Noncash Distributions. Whenever the distribution provided for in this Section 3 shall be payable in securities or property other than cash, the value of such distribution shall be the fair market value of such securities or other property as determined in good faith by the Board of Directors.

4. Conversion. The holders of the Series A Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

4.1 Right to Convert. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such

share, at the office of the Corporation or any transfer agent for the Series A Preferred Stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the \$1.614 by the Conversion Price (as defined in the following sentence) at the time in effect for such share. The price at which shares of Common Stock shall be issued upon conversion of shares of the Series A Preferred Stock (the "Conversion Price") shall initially be the \$1.614; provided, however, that the Conversion Price for the Series A Preferred Stock shall be subject to adjustment as set forth in Section 4.4.

4.2 Automatic Conversion. Each share of Series A Preferred Stock shall automatically be converted into shares of Common Stock at the then-effective Conversion Price immediately prior to the consummation of the Corporation's public sale of its Common Stock in a firm commitment, underwritten public offering registered under the Securities Act of 1933, as amended (the "Securities Act") at a per share issue price equal to or greater than 150% of the Conversion Price then in effect (as adjusted for stock splits, stock dividends, combinations of shares or similar recapitalization events) and resulting in aggregate proceeds to the Corporation and/or any selling shareholders (before deduction for underwriter's discounts and expenses relating to the issuance, including without limitation fees of the Corporation's counsel) of at least \$10 million.

4.3 Mechanics of Conversion. Before any holder of Series A Preferred Stock shall be entitled to convert the same into shares of Common Stock, he shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Series A Preferred Stock, and shall give written notice by mail, postage prepaid, to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series A Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offer of securities registered pursuant to the Securities Act, the conversion may, at the option of any holder tendering Series A Preferred Stock for conversion, be conditioned upon the closing with the underwriter of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock issuable upon such conversion of the Series A Preferred Stock shall not be deemed to have converted such Series A Preferred Stock until immediately prior to the closing of such sale of securities.

4.4 Adjustments to Conversion Price for Certain Diluting Issues.

4.4.1 Special Definitions. For purposes of this Section 4.4, the following definitions apply:

(a) "*Options*" shall mean rights, options, or warrants to subscribe for, purchase or otherwise acquire Common Stock, Series A Preferred Stock, or Convertible Securities (defined below).

(b) "*Original Issue Date*" shall mean the date on which a share of Series A Preferred Stock was first issued.

(c) "*Convertible Securities*" shall mean any evidences of indebtedness, shares (other than Common Stock and Series A Preferred Stock) or other securities convertible into or exchangeable for Common Stock.

(d) "*Additional Shares of Common Stock*" shall mean all shares of Common Stock issued (or, pursuant to Section 4.4.3, deemed to be issued) by the Corporation after the Original Issue Date, other than shares of Common Stock issued or issuable:

(i) upon conversion of shares of Series A Preferred Stock;

(ii) to officers, directors, or employees of, or consultants to, the corporation pursuant to stock option or stock purchase plans or agreements on terms approved by the Board of Directors, but not exceeding 416,667 shares of Common Stock (net of any repurchases of such shares or cancellations or expirations of options), subject to adjustment for all subdivisions and combinations;

(iii) as a dividend or distribution on Series A Preferred Stock;

(iv) upon exercise or conversion of outstanding options or warrants, respectively; or

(v) for which adjustment of the Series A Conversion Price is made pursuant to Section 5.

4.4.2 No Adjustment of Conversion Price. Any provision herein to the contrary notwithstanding, no adjustment in the Conversion Price shall be made in respect of the issuance of Additional Shares of Common Stock unless the consideration per share (determined pursuant to Section 4.4.5 hereof) for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the Conversion Price in effect on the date of, and immediately prior to, such issue.

4.4.3 Deemed Issue of Additional Shares of Common Stock. In the event the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities then entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein designed to protect against dilution) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities and Options for Convertible Securities or for Series A Preferred Stock, the conversion or exchange of such Convertible Securities or Series A Preferred Stock, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that in any such case in which Additional Shares of Common Stock are deemed to be issued:

(a) no further adjustments in the Series A Conversion Price shall be made upon the subsequent issue of such Convertible Securities, or Series A Preferred Stock or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities or Series A Preferred Stock;

(b) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Corporation, or decrease or increase in the number of shares of Common Stock issuable, upon the exercise, conversion or exchange thereof, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease become effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities (provided, however, that no such adjustment of the Conversion Price shall affect Common Stock previously issued upon conversion of the Series A Preferred Stock);

(c) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:

(i) in the case of Convertible Securities or Options for Common Stock the only Additional Shares of Common Stock issued were the shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration actually received by the Corporation upon such exercise, or for the issue of all such Convertible Securities which

were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange; and

(ii) in the case of Options for Convertible Securities or Series A Preferred Stock only the Convertible Securities or Series A Preferred Stock, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common Stock deemed to have been then issued was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Corporation (determined pursuant to Section 4.4) upon the issue of the Convertible Securities or Series A Preferred Stock with respect to such Options were actually exercised;

(d) no readjustment pursuant to clause 4.4.3(c)(i) or 4.4.3(c)(ii) above shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (a) Conversion Price on the original adjustment date, or (b) the Conversion Price that would have resulted from any issuance of Additional Shares of Common Stock between the original adjustment date and such readjustment date;

(e) in the case of any Options which expire by their terms not more than 30 days after the date of issue thereof, no adjustment of the Conversion Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the same manner provided in clause 4.4.3(c) above.

4.4.4. Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation, at any time after the Original Issue Date shall issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 4.4.3) without consideration or for a consideration per share less than the Conversion Price in effect on the date of and immediately prior to such issue, then and in such event, the Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest cent) determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares of Common Stock which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at such Conversion Price in effect immediately prior to such issuance, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of such Additional Shares of Common Stock so issued. For the purpose of the above calculation, the number of shares of Common Stock outstanding immediately prior to such issue shall be calculated on a fully diluted basis, as if all shares of Series A Preferred Stock and all Convertible Securities had been fully converted into shares of Common Stock immediately prior to such issuance and any outstanding warrants, options or other rights for the purchase of shares of stock or convertible securities had been fully exercised immediately prior to such issuance (and the

resulting securities fully converted into shares of Common Stock, if so convertible) as of such date, but not including in such calculation any additional shares of Common Stock issuable with respect to shares of Series A Preferred Stock, Convertible Securities, or outstanding options, warrants or other rights for the purchase of shares of stock or convertible securities, solely as a result of the adjustment of the Conversion Price (or other conversion ratios) resulting from the issuance of the Additional Shares of Common Stock causing the adjustment in question.

4.4.5 Determination of Consideration. For purposes of this Section 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) *Cash and Property.* Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation excluding amounts paid or payable for accrued interest or accrued dividends;

(ii) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses 4.4.5(a)(i) and 4.4.5(a)(ii) above, as determined in good faith by the Board of Directors.

(b) *Options and Convertible Securities.* The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section 4.4.3, relating to Options and Convertible Securities shall be determined by dividing:

(i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein designed to protect against dilution) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities or Series A Preferred Stock, the exercise of such Options for Convertible Securities or Series A Preferred Stock and the conversion or exchange of such Convertible Securities or Series A Preferred Stock by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein designed to protect against the dilution) issuable upon the exercise of such Options or conversion or exchange of such Convertible Securities.

4.5 Adjustments to Conversion Prices for Stock Dividends and for Combinations or Subdivisions of Common Stock. In the event that the Corporation at any time or from time to time after the Original Issue Date shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock or in any right to acquire Common Stock for no consideration, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or in the event the outstanding shares of Common stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price for any series of Preferred Stock in effect immediately prior to such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate. In the event that the Corporation shall declare or pay, without consideration, any dividend on the Common Stock payable in any right to acquire Common Stock for no consideration, then the Corporation shall be deemed to have made a dividend payable in Common Stock in an amount of shares equal to the maximum number of shares issuable upon exercise of such rights to acquire Common Stock.

4.6 Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Series A Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 4.5 above or a merger or other reorganization referred to in Section 3.3 above), the Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series A Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series A Preferred Stock immediately before that change.

4.7 No Impairment. The Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Series A Preferred Stock against impairment.

4.8 Certificates as to Adjustments. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Section 4, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock a certificate executed by the Corporation's President or Chief Financial Officer setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series A Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of the Series A Preferred Stock.

4.9 Notices of Record Date. In the event that the Corporation shall propose at any time: (i) to declare any dividend or distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus; (ii) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (iii) to effect any reclassification or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or (iv) to merge or consolidate with or into any other corporation, or sell, lease or convey all or substantially all of its assets, or to liquidate, dissolve or wind up; then, in connection with each such event, the Corporation shall send to the holders of Series A Preferred Stock (A) at least twenty (20) days' prior written notice of the date on which a record shall be taken for such dividend, distribution or subscription rights (and specifying the date on which the holders of Common Stock shall be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (iii) and (iv) above; and (B) in the case of the matters referred to in (iii) and (iv) above, at least twenty (20) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon the occurrence of such event).

4.10 Issue Taxes. The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of Series A Preferred Stock pursuant hereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder in connection with any such conversion.

4.11 Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not

be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Certificate.

4.12 Fractional Shares. No fractional share shall be issued upon the conversion of any share or shares of Series A Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series A Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of a share of Common Stock, the Corporation shall, in lieu of issuing any fractional share, pay the holder otherwise entitled to such fraction a sum in cash equal to the fair market value of such fraction on the date of conversion (as determined in good faith by the Board of Directors).

4.13 Notices. Any notice required by the provisions of this Section 4 to be given to the holders of shares of Series A Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, or if sent by facsimile or delivered personally by hand or by nationally recognized courier and addressed to each holder of record at such holder's address or facsimile number appearing in the records of the Corporation.

5. Capital Reorganization, Merger or Sale of Assets.

5.1 If at any time or from time to time there shall be a capital reorganization of the Common Stock (other than a subdivision, combination, reclassification or exchange of shares provided for in Section 4) or a merger or consolidation of the Corporation with or into another corporation (other than for the sole purpose of reincorporating) or the sale of all or substantially all of the Corporation's properties and assets to any other person, then, as a part of such reorganization, merger, consolidation or sale, provision shall be made so that the holders of the Series A Preferred Stock shall thereafter be entitled to receive upon conversion of the Series A Preferred Stock, the number of shares of stock or other securities or property of the Corporation, or of the successor corporation resulting from such reorganization, merger, consolidation or sale, to which a holder of the same number of shares of Common Stock issuable to the holders of the Series A Preferred Stock upon conversion would have been entitled on such capital reorganization, merger, consolidation or sale. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 5 with respect to the rights of the holders of the Series A Preferred Stock after the reorganization, merger, consolidation or sale to the end that the provisions of this Section 5 (including adjustment of the Conversion Price and the number of shares issuable upon conversion of the Series A Preferred Stock) shall be applicable after that event in as nearly equivalent a manner as may be possible.

5.2 Each holder of Series A Preferred Stock, upon the occurrence of a capital reorganization, merger or consolidation of the Corporation, or the sale of all or substantially all the Corporation's assets and properties as such events are more fully set forth in Section 5.1, shall have the option of electing treatment of such holder's shares of Series A Preferred Stock under either Sections 4 and 5.1 or under Section 3 hereof, notice of which election shall be submitted in writing to the Corporation at its principal offices no later than twenty (20) days before the effective date of such sale.

5.3 The provisions of this Section 5 are in addition to the protective provisions of Section 7 hereof.

6. Voting Rights. The holder of each share of Series A Preferred Stock shall have the right to one vote for each whole share of Common Stock into which such share of Series A Preferred Stock could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting of the Corporation, and shall vote, together with holders of Common Stock as one voting group and one class with respect to any question upon which holders of Common Stock have the right to vote, except as otherwise provided in Section 7.1 below and unless the Oregon Business Corporation Act requires the holders of Series A Preferred Stock to vote as separate voting groups on any such matter submitted to the shareholders for a vote, and subject always to the provisions of any valid and effective voting agreement between the shareholders of the Corporation.

7. Protective Provisions.

7.1 Actions Requiring Approval of Series A Preferred Stock, Voting as a Separate Voting Group. So long as not less than 75,000 shares of Series A Preferred Stock are outstanding (as adjusted for any stock dividends, combinations or splits with respect to such shares), the Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series A Preferred Stock:

7.1.1 Increase the authorized number of shares of Series A Preferred Stock; or

7.1.2 Create any new class or series of stock or any other securities convertible into equity securities of the Corporation having a preference over, or being on a parity with, the Series A Preferred Stock with respect to voting, dividends or upon liquidation.

7.1.3 Effect any sale, lease, assignment, transfer, or other conveyance of all or substantially all of the assets or stock of the Corporation or any of its subsidiaries,

621283-85

or any consolidation or merger involving the Corporation or any of its subsidiaries, or any reclassification or other change of stock, or any recapitalization of the Corporation;

7.1.4 Amend its Articles of Incorporation or Bylaws, except any amendment which would not materially alter or effect the rights of the holders of the Series A Preferred Stock; or

7.1.5 Liquidate, dissolve or wind up the affairs of the Corporation.

8. No Reissuance of Series A Preferred Stock. No share or shares of Series A Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion, or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

9. Residual Rights of Common Stock. Upon the authorization and issuance of the Series A Preferred Stock, the Common Stock of the Corporation shall, subject to the rights, if any, of the holders of any class or series of stock of Corporation from time to time issued and outstanding, have the following rights:

9.1 Dividend Rights. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, including without limitation the rights of the holders of Series A Preferred Stock to be paid any accrued but unpaid dividends with respect to such stock, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of any assets of the Corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

9.2 Liquidation Rights. Upon the liquidation, dissolution or winding up of the Corporation, the assets of the Corporation shall be distributed as provided in Section 3.

9.3 Voting Rights. The holders of shares of Common Stock shall have the right to one vote for each share of Common Stock issued and outstanding, and shall be entitled to notice of any shareholders' meeting of the Corporation, and shall be entitled to vote upon all matters submitted to the shareholders of the Corporation for a vote.



Phone: (503) 986-2200

Fax: (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

ARTICLES/CERTIFICATE OF CORRECTION—ALL ENTITIES

04/12/99 12:47PM 00047085 For office use only
CHECK \$10.00

FILED

APR 12 1999

OREGON
SECRETARY OF STATE

Registry Number: 621283-85

Attach Additional Sheet if Necessary
Please Type or Print Legibly in Black Ink

1) NAME OF ENTITY 1-800-RECONEX, INC.

Note: The Change of Registered Agent or Office form must be used to change the registered agent.

2) DOCUMENT DESCRIPTION (Describe the document to be corrected, including the date on which it was filed, or attach a copy of the document to be corrected.)

Articles of Merger and Plan of Merger filed with the Oregon Secretary of State May 1, 1998 between
1-800-RECONEX, Inc. and Ameritel Corporation (incorporated)

3) INCORRECT STATEMENT (Describe the incorrect statement and indicate the reason it is incorrect.)

The Plan of Merger incorrectly states the merger was a parent/subsidiary merger, when in fact, it was a
merger of non-related corporations.

4) CORRECTION (The incorrect statement is corrected to read as follows. Attach additional sheets if necessary.)

New forms of Articles of Merger and Plan of Merger reflecting the proper relationship between the merging
corporations are attached hereto as Exhibit A.

5) EXECUTION

Signature Todd Meislahn

Printed Name Todd Meislahn

Title President

Date March, 1999

6) CONTACT NAME

Brenda Welter, Paralegal

DAYTIME PHONE NUMBER

503-226-1191

FEES

Make check for \$10 payable to
"Corporation Division"

NOTE: Filing fees may be paid with
VISA or Master Card. The card
number and expiration date should
be submitted on a separate sheet
for your protection.

Sally
4/12



Phone: (503) 986-2200
Fax: (503) 378-4381

ARTICLES OF MERGER

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

Check the appropriate box below:

For office use only

- ☒ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1,2,3,4,10,11)
☐ FOR PARENT AND 90% OWNED SUBSIDIARY
WITHOUT SHAREHOLDER APPROVAL
(Complete only 5,6,7,8,9,10,11)

Registry Number: _____

Attach Additional Sheet if Necessary
Please Type or Print Legibly in Black Ink

BUSINESS/PROFESSIONAL/NONPROFIT CORPORATION ONLY

- 1) NAMES OF THE CORPORATIONS PROPOSING TO MERGE
A. 1-800-RECONEX, Inc., an Oregon corporation
B. Ameritel Corporation, an Oregon corporation
2) NAME OF THE SURVIVING CORPORATION 1-800-RECONEX, Inc., an Oregon corporation
☐ Check here if there is a name change in this plan of merger
3) A COPY OF THE MERGER PLAN IS ATTACHED.
4) CHECK THE APPROPRIATE STATEMENTS FOR CORPORATION A AND CORPORATION B BELOW.

CORPORATION A

- ☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors
☒ Shareholder/membership approval was required. The vote was as follows

If Corporation A is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common	1	1	0

If Corporation A is a nonprofit corporation:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

CORPORATION B

- ☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors
☒ Shareholder/membership approval was required. The vote was as follows

If Corporation B is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common	1,000	1,000	0

If Corporation B is a nonprofit corporation:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

FOR PARENT AND 90% OWNED SUBSIDIARY WITHOUT SHAREHOLDER APPROVAL

- 5) NAME OF PARENT CORPORATION _____
Oregon Registry Number: _____
6) NAME OF SUBSIDIARY CORPORATION _____
Oregon Registry Number: _____
7) NAME OF SURVIVING CORPORATION _____
8) COPY OF PLAN
☐ A copy of the plan of merger, setting forth the manner and basis of converting shares of the subsidiary into shares, obligations, or other securities of the parent corporation or any other corporation or into cash or other property is attached.
9) CHECK THE APPROPRIATE BOX
☐ A copy of the plan of merger or summary was mailed to each shareholder or member of the subsidiary corporation on or before _____ 19____.
☐ The mailing of a copy of the plan or summary was waived by all outstanding shares.

10) EXECUTION
Printed Name Todd Meislahn Signature [Signature] Title President

11) CONTACT NAME Brenda Welter, Paralegal DAYTIME PHONE NUMBER (503) 226-1191

FEES

State check for \$10 payable to Corporation Division

NOTE: Filing fees may be paid with VISA or MasterCard. The card number and expiration date should be submitted on a separate sheet for your protection.

**EXHIBIT A
PLAN OF MERGER**

Plan of Merger dated as of April 30, 1998 ("Plan of Merger") between Ameritel Corporation, an Oregon corporation ("Ameritel"), and 1-800-RECONEX, Inc., an Oregon corporation ("Reconex").

TERMS AND CONDITIONS:

The Boards of Directors of Ameritel and Reconex deem it advisable and in the best interests of Ameritel and Reconex and in the best interests of the shareholders of Ameritel and Reconex that Ameritel be merged with and into Reconex (the "Merger").

NOW, THEREFORE, Ameritel and Reconex hereby agree as follows:

I. Constituent Corporations.

1.1 Ameritel is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

1.2 Reconex is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

II. The Merger.

2.1 In accordance with Or. Rev. Stat. § 60.494, the Merger shall become effective at the time (herein referred to as the "Effective Time"): (i) Articles of Merger in substantially the form of Exhibit 1 hereto, together with this Plan of Merger annexed thereto are filed with the Secretary of State of the State of Oregon; or (ii) such later date or time as may be specified in the Articles of Merger by agreement of Ameritel and Reconex.

2.2 At the Effective Time, Ameritel shall be merged with and into Reconex upon the terms and conditions set forth in this Plan of Merger in accordance with the requirements of Oregon law. Thereupon, the separate corporate existence of Reconex, with all of its rights, privileges, immunities, powers, and purposes shall continue unaffected and unimpaired by the Merger, and Reconex, as the corporation surviving the Merger, shall be fully vested therewith. The separate corporate existence of Ameritel shall cease upon the Merger becoming effective as herein provided and thereupon Reconex and Ameritel shall be a single corporation.

2.3 At the Effective Time, Reconex shall succeed to all of the rights, privileges, powers, immunities and franchises of Ameritel, all of the properties and assets of Ameritel, and all of the debts, choices in action, and other interest due or belonging to Ameritel, and shall be subject to, and responsible for, all of the debts, liabilities, and obligations of Ameritel, with the effect set forth in the Oregon Business Corporation Act.

III. Articles of Incorporation

Directors and Officers of Reconex.

3.1 The Articles of Incorporation shall be the Articles of Incorporation with provisions of the Oregon Business Corporation Act.

Effect immediately prior to the Effective Time until amended in accordance with the provisions of the Oregon Business Corporation Act.

3.2 The Bylaws of Reconex in effect after the Effective Time shall be the Bylaws of Reconex after the Effective Time in accordance with provisions of the Oregon Business Corporation Act.

Effect immediately prior to the Effective Time shall be the Bylaws of Reconex as provided therein or in accordance with the provisions of the Oregon Business Corporation Act.

3.3 The directors and officers of Reconex immediately prior to the Effective Time shall constitute the Board of Directors and the officers, respectively, of Reconex after the Effective Time until expiration of their current terms as such, or prior resignation, removal or death, subject to the Articles of Incorporation and Bylaws of Reconex.

IV. Conversion of Shares.

At the Effective Time, each share of the issued and outstanding Common Stock of Ameritel shall be converted into the right to receive from Reconex 1,397.059 fully paid, validly issued and nonaccessable shares of Reconex Common Stock and all shares of Ameritel Common Stock shall be canceled without any further consideration being issued or paid therefor.

V. Abandonment of the Merger.

Notwithstanding the approval of this Plan of Merger by the Boards of Directors of Reconex or Ameritel, the Merger may be abandoned in this Plan of Merger may be terminated at any time prior to the Effective Time.

VI. Articles of Merger.

Articles of Merger as required by Or. Rev. Stat. § 60.494 shall be filed with the Secretary of State of the State of Oregon on such date as may be designated by the Boards of Directors of Reconex and Ameritel.

IN WITNESS WHEREOF, this Plan of Merger has been executed as of the day and year first above written.

1-800-RECONEX, INC.

AMERITEL CORPORATION

By: 

Todd Meislahn, President

By: 

Todd Meislahn, President



Phone: (503) 986-2200
Fax: (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

ARTICLES/CERTIFICATE OF CORRECTION—ALL ENTITIES

04/12/99 12:34 PM 000H77601
CHECK office use only \$10.00

FILED

APR 12 1999

OREGON
SECRETARY OF STATE

Registry Number: 621283-85

Attach Additional Sheet if Necessary
Please Type or Print Legibly in Black Ink

1) NAME OF ENTITY 1-800-RECONEX, INC.

Note: The Change of Registered Agent or Office form must be used to change the registered agent

2) DOCUMENT DESCRIPTION (Describe the document to be corrected, including the date on which it was filed, or attach a copy of the document to be corrected.)

Articles of Merger and Plan of Merger filed with the Oregon Secretary of State May 1, 1998 between
1-800-RECONEX, Inc. and Fast Connections, Inc., a Texas corporation

3) INCORRECT STATEMENT (Describe the incorrect statement and indicate the reason it is incorrect.)

The Plan of Merger Incorrectly states the merger was a parent/subsidiary merger, when in fact, it was a
merger of non-related corporations.

4) CORRECTION (The incorrect statement is corrected to read as follows. Attach additional sheets if necessary.)

New forms of Articles of Merger and Plan of Merger reflecting the proper relationship between the merging
corporations are attached hereto as Exhibit A.

5) EXECUTION

Signature [Signature]
Printed Name Todd Meislahn
Title President
Date March, 1999

6) CONTACT NAME

Brenda Welter, Paralegal

DAYTIME PHONE NUMBER

503-226-1191

FEES

Make check for \$10 payable to
Corporation Division

NOTE: Filing fees may be paid with
VISA or Master Card. The card
number and expiration date should
be submitted on a separate sheet
for your protection.



Phone: (503) 800-2200
Fax: (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

ARTICLES OF MERGER

Check the appropriate box below:

For office use only

- ☒ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1,2,3,4,10,11)
- ☐ FOR PARENT AND 90% OWNED SUBSIDIARY
WITHOUT SHAREHOLDER APPROVAL
(Complete only 5,6,7,8,9,10,11)

Registry Number: _____

Attach Additional Sheet if Necessary
Please Type or Print Legibly in Black Ink

BUSINESS/PROFESSIONAL/NONPROFIT CORPORATION ONLY

1) NAMES OF THE CORPORATIONS PROPOSING TO MERGE

A. 1-800-RECONEX, Inc., an Oregon corporation

B. Fast Connections, Inc., a Texas corporation

2) NAME OF THE SURVIVING CORPORATION 1-800-RECONEX, Inc., an Oregon corporation

☐ Check here if there is a name change in this plan of merger

3) A COPY OF THE MERGER PLAN IS ATTACHED.

4) CHECK THE APPROPRIATE STATEMENTS FOR CORPORATION A AND CORPORATION B BELOW.

CORPORATION A

- ☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors.
- ☒ Shareholder/membership approval was required. The vote was as follows:

If Corporation A is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common	1	1	0

If Corporation A is a nonprofit corporation:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

CORPORATION B

- ☐ Shareholder/membership approval was not required. The plan was approved by a sufficient vote of the board of directors.
- ☒ Shareholder/membership approval was required. The vote was as follows:

If Corporation B is a business/professional corporation:

Class or series of shares	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common	1,858.6	1,858.6	0

If Corporation B is a nonprofit corporation:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

FOR PARENT AND 90% OWNED SUBSIDIARY WITHOUT SHAREHOLDER APPROVAL

NAME OF PARENT CORPORATION _____

Oregon Registry Number _____

NAME OF SUBSIDIARY CORPORATION _____

Oregon Registry Number _____

NAME OF SURVIVING CORPORATION _____

COPY OF PLAN

A copy of the plan of merger, setting forth the manner and basis of converting shares of the subsidiary into shares, obligations, or other securities of the parent corporation or any other corporation or into cash or other property is attached.

CHECK THE APPROPRIATE BOX

A copy of the plan of merger or summary was mailed to each shareholder of record of the subsidiary corporation on or before _____ 19__.

The mailing of a copy of the plan or summary was waived by all outstanding shares.

EXECUTION

Printed Name

Todd Meislahn

Signature

Title

President

CONTACT NAME

Brenda Welter, Paralegal

DAYTIME PHONE NUMBER

(503) 226-1191

FEES

Make check for \$50 payable to
"Corporation Division"

NOTE: Filing fees may be paid
with VISA or MasterCard.
The card number and
expiration date should be
submitted on a separate sheet
for your protection.

RECORDS SECTION 10/10/00/01

VOID WITHOUT WATERMARK OR IF ALTERED OR REPRODUCED

PLAN OF MERGER

Plan of Merger dated as of April 30, 1998 ("Plan of Merger") between Fast Connections, Inc., a Texas corporation ("FC"), and 1-800-RECONEX, Inc., an Oregon corporation ("Reconex").

TERMS AND CONDITIONS:

The Boards of Directors of FC and Reconex deem it advisable and in the best interests of FC and Reconex and in the best interests of the shareholders of FC and Reconex that FC be merged with and into Reconex (the "Merger").

NOW, THEREFORE, FC and Reconex hereby agree as follows:

I. Constituent Corporations.

1.1 FC is duly incorporated and validly existing under the laws of the state of Texas and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

1.2 Reconex is duly incorporated and validly existing under the laws of the state of Oregon and its principal place of business is 2500 Industrial Avenue, Hubbard, Oregon 97032.

II. The Merger.

2.1 In accordance with Or. Rev. Stat. § 60.494 and Texas Business Corporation Act, Article 5.04, the Merger shall become effective at the time (herein referred to as the "Effective Time"): (i) Articles of Merger in substantially the form of Exhibit 1 hereto, together with this Plan of Merger annexed thereto are filed with the Secretary of State of the State of Oregon and the Secretary of State of the State of Texas; or (ii) such later date or time as may be specified in the Articles of Merger by agreement of FC and Reconex.

2.2 At the Effective Time, FC shall be merged with and into Reconex upon the terms and conditions set forth in this Plan of Merger in accordance with the requirements of Oregon law. Thereupon, the separate corporate existence of Reconex, with all of its rights, privileges, immunities, powers, and purposes shall continue unaffected and unimpaired by the Merger, and Reconex, as the corporation surviving the Merger, shall be fully vested therewith. The separate corporate existence of FC shall cease upon the Merger becoming effective as herein provided and thereupon Reconex and FC shall be a single corporation.

2.3 At the Effective Time, Reconex shall succeed to all of the rights, privileges, powers, immunities and franchises of FC, all of the properties and assets of FC, and all of the debts, choices in action and other interest due or belonging to FC, and shall be subject to, and responsible for, all of the debts, liabilities, and obligations of FC, with the effect set forth in the Oregon Business Corporation Act.

III. Articles of Incorporation, Bylaws and Board of Directors and Officers of Reconex.

3.1 The Articles of Incorporation of Reconex in effect immediately prior to the Effective Time shall be the Articles of Incorporation of Reconex after the Effective Time until amended in accordance with provisions of the Oregon Business Corporation Act.

3.2 The Bylaws of Reconex in effect immediately prior to the Effective Time shall be the Bylaws of Reconex after the Effective Time until amended thereafter as provided therein or in accordance with provisions of the Oregon Business Corporation Act.

3.3 The directors and officers of Reconex immediately prior to the Effective Time shall constitute the Board of Directors and the officers, respectively, of Reconex after the Effective Time until expiration of their current terms as such, or prior resignation, removal or death, subject to the Articles of Incorporation and Bylaws of Reconex.

IV. Conversion of Shares.

At the Effective Time, each share of the issued and outstanding Common Stock of FC shall be converted into the right to receive from Reconex 619.51297 fully paid, validly issued and nonaccessable shares of Reconex Common Stock and all shares of FC Common Stock shall be canceled without any further consideration being issued or paid therefor.

V. Abandonment of the Merger.

Notwithstanding the approval of this Plan of Merger by the Boards of Directors of Reconex or FC, the Merger may be abandoned in this Plan of Merger may be terminated at any time prior to the Effective Time.

VI. Articles of Merger.

Articles of Merger as required by Or. Rev. Stat. § 60.494 and Texas Business Corporation Act, Article 5.04, shall be filed with the Secretary of State of the State of Oregon and the Secretary of state of the State of Texas on such date as may be designated by the Boards of Directors of Reconex and FC.

IN WITNESS WHEREOF, this Plan of Merger has been executed as of the day and year first above written.

1-800-RECONEX, INC.

FAST CONNECTIONS, INC.

By: _____

Todd Meislahn, President

By: _____

Todd Meislahn, President



Phone: (503) 988-2200
Fax: (503) 378-4381

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327

ARTICLES OF AMENDMENT—BUSINESS/PROFESSIONAL/NONPROFIT

Check the appropriate box below:

- ☒ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1,2,3,4,6,7)
☐ NONPROFIT CORPORATION
(Complete only 1,2,3,5,6,7)

FILED

AUG 14 2000
OREGON
SECRETARY OF STATE

Registry Number: 621283-85

Attach Additional Sheet If Necessary

Please Type or Print Legibly in Black Ink

1) NAME OF CORPORATION PRIOR TO AMENDMENT 1-800-RECONEX, Inc.

2) STATE THE ARTICLE NUMBER(S) AND SET FORTH THE ARTICLE(S) AS IT IS AMENDED TO READ. (Attach a separate sheet if necessary.)

See Exhibit A attached hereto

3) THE AMENDMENT WAS ADOPTED ON: August 14, 2000
(If more than one amendment was adopted, identify the date of adoption of each amendment.)

BUSINESS/PROFESSIONAL CORPORATION ONLY

4) CHECK THE APPROPRIATE STATEMENT

- ☒ Shareholder action was required to adopt the amendment(s).
The vote was as follows:

Class or series of shares	Number of shares outstanding	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common	3,556,421	3,556,421	3,556,421	0
Series A Pref.	309,756	309,756	309,756	0

- ☐ Shareholder action was not required to adopt the amendment(s). The amendment(s) was adopted by the board of directors without shareholder action.
☐ The corporation has not issued any shares of stock. Shareholder action was not required to adopt the amendment(s). The amendment(s) was adopted by the incorporators or by the board of directors.

NONPROFIT CORPORATION ONLY

5) CHECK THE APPROPRIATE STATEMENT

- ☐ Membership approval was not required. The amendment(s) was approved by a sufficient vote of the board of directors or incorporators.
☐ Membership approval was required. The membership vote was as follows:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

6) EXECUTION
Printed Name William E. Braun Signature [Signature] Title Vice President/General Counsel

7) CONTACT NAME William E. Braun DAYTIME PHONE NUMBER (503) 982-5573

FEES

Make check for \$10 payable to "Corporation Division."

NOTE: Filing fees may be paid with VISA or MasterCard. The card number and expiration date should be submitted on a separate sheet for your protection.

621283-85

EXHIBIT A

SECOND AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
1-800-RECONEX, INC.

Article II, Section A, of the Articles of Incorporation is hereby amended, in its entirety, as follows:

ARTICLE II.

STOCK

A. The aggregate number of shares which the corporation shall have the authority to issue shall consist of 15,000,000 shares of common stock ("Common Stock"), \$0.01 par value and 1,000,000 shares of preferred stock ("Preferred Stock"), \$0.01 par value.

EXHIBIT
“C”

Secretary of State

Corporations Section

ames K. Polk Building, Suite 1800

Nashville, Tennessee 37243-0306

DATE: 04/22/98
REQUEST NUMBER: 3498-1842
TELEPHONE CONTACT: (615) 741-0537
FILE DATE/TIME: 04/14/98 1104
EFFECTIVE DATE/TIME: 04/14/98 1104
CONTROL NUMBER: 0349476

TO:
1-800-RECONEX, INC.
2500 INDUSTRIAL AVE

HUBBARD, OR 97032

RE:
1-800-RECONEX, INC.
APPLICATION FOR CERTIFICATE OF AUTHORITY -
FOR PROFIT

WELCOME TO THE STATE OF TENNESSEE. THE ATTACHED CERTIFICATE OF
AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE
ON OR BEFORE THE FIRST DATE OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE
CORPORATION'S FISCAL YEAR. PLEASE PROVIDE THIS OFFICE WITH WRITTEN
NOTIFICATION OF THE CORPORATION'S FISCAL YEAR. THIS OFFICE WILL MAIL THE
REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE
ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS
OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED
AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE REVOCATION
OF ITS CERTIFICATE OF AUTHORITY.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR
FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR CERTIFICATE OF AUTHORITY -
FOR PROFIT

ON DATE: 04/16/98

FROM:
STERLING INT'L FUNDING, INC.
P.O. BOX 5607

RECEIVED: FEES \$500.00 \$300.00

TOTAL PAYMENT RECEIVED: \$800.00

PORTLAND, OR 97228-5607

RECEIPT NUMBER: 00002292665
ACCOUNT NUMBER: 00262772



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

APPLICATION FOR CERTIFICATE OF AUTHORITY FOR

FILED

1-800-RECONEX, Inc.

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of Section 48-25-103 of the Tennessee Business Corporation Act, the undersigned corporation hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the corporation is 1-800-RECONEX, Inc.

If different, the name under which the certificate of authority is to be obtained is _____

[NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign corporation for profit if its name does not comply with the requirements of Section 48-14-101 of the Tennessee Business Corporation Act. If obtaining a certificate of authority under an assumed corporate name, an application must be filed pursuant to Section 48-14-101(d).]

2. The state or country under whose law it is incorporated is Oregon

3. The date of its incorporation is March 5, 1998 (must be month, day, and year), and the period of duration, if other than perpetual, is _____

4. The complete street address (including zip code) of its principal office is _____

2500 Industrial Avenue, Hubbard, Oregon 97032

Street	City	State/Country	Zip Code

5. The complete street address (including the county and the zip code) of its registered office in this state is c/o C T Corporation System, 530 Gay Street, Knoxville, Tennessee, County of Knox 37902

Street	City/State	County	Zip Code

The name of its registered agent at that office is

C T Corporation System

6. The names and complete business addresses (including zip code) of its current officers are: (Attach separate sheet if necessary.)

Todd M. Meislahn, 2500 Industrial Avenue, Hubbard, Oregon 97032, President

James Wheeler, 2500 Industrial Avenue, Hubbard, Oregon 97032, Vice President

Joseph Brandes, 2500 Industrial Avenue, Hubbard, Oregon 97032, Vice President

William E. Braun, 2500 Industrial Avenue, Hubbard, Oregon 97032, Secretary

7. The names and complete business addresses (including zip code) of its current board of directors are: (Attach separate sheet if necessary.)

Todd M. Meislahn, 2500 Industrial Avenue, Hubbard, Oregon 97032

8. The corporation is a corporation for profit.

9. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is

N/A, 19____ (date), _____ (time).

[NOTE: A delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.]

[NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated. The certificate shall not bear a date of more than two (2) months prior to the date the application is filed in this state.]

4/1/98
Signature Date

Secretary
Signer's Capacity

1-800-RECONEX, Inc.
Name of Corporation

William E. Braun
Signature

William E. Braun
Name (typed or printed)



EXHIBIT
“D”

Officers and Directors
1-800-RECONEX, Inc.

NAME	TITLE	ADDRESS
Dave Griffee	President/Director	2500 Industrial Avenue, Hubbard, Oregon 97032
Ian Irwin	Director	2500 Industrial Avenue, Hubbard, Oregon 97032
Todd M. Meislahn	Director	2500 Industrial Avenue, Hubbard, Oregon 97032
Dan Patterson	Director	2500 Industrial Avenue, Hubbard, Oregon 97032
Pete Stein	Director	2500 Industrial Avenue, Hubbard, Oregon 97032
Joseph Brandes	Vice President	2500 Industrial Avenue, Hubbard, Oregon 97032
William E. Braun	Corporate Secretary	2500 Industrial Avenue, Hubbard, Oregon 97032

EXHIBIT

“E”

**Key Management Resumes
1-800-RECONEX, Inc.**

Dave Griffie: President & CEO

Mr. Griffie joined 1-800-RECONEX in 2000. Mr. Griffie co-founded U.S. Digitel, Inc., in 1997 and held the position of President from 1997 to 2000 when the company was sold. He installed and networked eight NACT digital switches whose combined capacity totaled 10,752 voice ports and grew the company to \$80,000,000.00 in annualized revenue. From 1996 to 1997, Mr. Griffie was Vice President of Operations for Total World Telecom, Inc., where his group installed, networked and made operational, four digital switches, bringing the network total to nine switches. In early 1997 Total World Telecom, Inc., aggressively entered into the debit card business and Mr. Griffie's group installed and activated two CPDI debit card platforms, each providing over eighty DS1's of capacity. From 1990 to 1996, Mr. Griffie was the Executive Vice President and Chief Operating Officer for Call America/Uni-Net, Inc. From January 1990 to September 1993 revenues were increased by 400%, cost of sales were lowered to provide a 40% gross margin while attrition and bad debt were reduced to below 2%. From 1986 to 1989 Mr. Griffie was the Vice President of Operations for Tele-Fibernet Corporation. During his tenure at Tele-Fibernet, he converted their network from two analog switches to four networked digital switches and built an East Coast network from Florida to Massachusetts and extended that network west into over 70 metropolitan areas. In 1988 Mr. Griffie's group installed an Operator Service Center that employed over 200 operators on 32 operator positions. From 1969 to 1986 Mr. Griffie worked for Indiana Bell/Southwestern Bell where he received technical and management training that constituted over one hundred weeks of intensive classroom and laboratory training. Mr. Griffie attended Indiana University and Purdue University.

Joe Brandes: Senior Vice President

Mr. Brandes joined 1-800-RECONEX in 1996. From 1990 to 1996 he was President of ProVision, Inc., a consumer products company manufacturing, marketing, and distributing golf products internationally. From 1987 to 1990, Mr. Brandes was Vice President of Marketing for O'Callahan's Restaurants, Inc., a \$9M multiple unit food and beverage operation. From 1978 to 1987, Mr. Brandes was Director of Marketing Operations and Distribution for Floating Point Systems, a \$150M scientific computer company. From 1972 to 1978 he served as controller for several business units including Wood Products, Heavy Equipment Manufacturing, and Retail Home Improvement with Columbia Corporation, a diversified \$175M company. Mr. Brandes holds a BS in Finance from the University of Oregon and an MBA from the University of Portland.

William E. Braun: Vice President/General Counsel

Mr. Braun joined 1-800-RECONEX in 1997. Mr. Braun is an attorney licensed to practice in the states of Oregon and California. As an attorney for the past 16 years, he has served in a litigation and advisory capacity for private firms, corporations and governmental entities. Mr. Braun holds a BA in Political Science from California State University, Long Beach and JD from Northwestern School of Law of Lewis and Clark College. He is a member of the American Bar Association, the Oregon Bar Association and the California Bar Association.

William R. Conner: Vice President of Information Technology

Mr. Conner joined 1-800-RECONEX in July 2000 with over 27 years experience in the telecommunications and information technology field. Prior to joining 1-800-RECONEX, Mr. Conner served as the Strategic Manager for a \$1.5B international telecommunication consulting firm. Mr. Conner has also lead the quality control process for Wang Communications, a subsidiary of Wang Laboratories; served as the Chief Architect for the renovation of all technology at PNG, a major energy company in Pennsylvania; and served as the Senior Manager of Engineering for a major division of MCI in Washington D.C. Mr. Conner holds a BS in Electrical Engineering and served ten years in the U.S. Marine Corps.

Dale N. Powers: Vice President of Finance

Mr. Powers joined 1-800-RECONEX in October 1999. Previously Mr. Powers served as Chief Financial Officer for INTEX, a construction company. Between 1996 and 1998 he was Corporate Controller for NOW Software, a developer of consumer oriented PIM software. For six years prior to NOW, Mr. Powers served as Controller for Atlas Telecom, a \$40 million dollar international telecommunications supplier of enhanced messaging software and hardware. In addition, Mr. Powers has served in various financial capacities at several other high tech, manufacturing and distribution companies. Mr. Powers holds a BA from Knox College and a MSBA in Accounting from Northern Illinois University. He also holds an inactive CPA certificate for the State of Oregon.

EXHIBIT
“F”

1-800-REGONEX

Because Everybody Needs A Phone

Total Company Balance Sheet - Trend

ASSETS

Current Assets:	
Cash & cash equivalents (Ex. Money Market)	
Money Market Account	
Accounts Receivable	
Other Receivables	
Prepaids and other current assets	
Total current assets	
Property, plant and equipment (net)	
Intangible and other noncurrent assets (net)	
Total Assets	

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:	
Accounts Payable	
Accrued Payroll Liabilities	
Accrued Expenses	
Customer Deposits	
Deferred Revenue	
Total current liabilities	
Long-term debt and capital lease obligations	
Total liabilities	
Shareholders' equity	
Capital stock	
Additional Paid in Capital	
Dividends declared	
Retained Earnings - 2001	
Retained Earnings - 2000	
Retained Earnings - Prior Years	
Total shareholders' equity	
Total liabilities and shareholders' equity	
Check Assets=Liabilities+OE	
Net Income	

	21-Dec-02	21-Jan-03	20-Feb-03	21-Mar-03	20-Apr-03	21-May-03	20-Jun-03	21-Jul-03	21-Aug-03	20-Sep-03	21-Oct-03	20-Nov-03	21-Dec-03	21-Jan-04
Cash & cash equivalents (Ex. Money Market)	\$ (407,441)	\$ (330,895)	\$ (87,135)	\$ (406,945)	\$ (628,553)	\$ (444,168)	\$ (701,529)	\$ (458,341)	\$ (138,239)	\$ (257,868)	\$ (437,117)	\$ (334,023)	\$ (255,200)	\$ (41,489)
Money Market Account	52,371	68,502	15,585	122,100	5,514	5,111	0,752	22,508	400,390	402,077	403,029	271,162	205,266	228,468
Accounts Receivable	590,590	594,042	571,000	617,000	641,000	641,000	641,000	654,578	277,000	278,024	270,004	271,208	100,020	145,708
Other Receivables	10,807	5,032	21,202	34,100	11,074	13,020	12,902	6,742	34,500	9,700	40,030	62,737	122,454	85,440
Prepaids and other current assets	102,778	79,500	79,500	107,031	72,734	51,032	10,842	103,202	104,312	140,075	101,218	104,055	117,051	20,779
Total current assets	349,474	418,450	623,318	208,011	107,850	281,010	10,842	330,813	800,042	590,550	402,215	398,011	427,038	604,130
Property, plant and equipment (net)	1,302,500	1,350,931	1,334,072	1,403,086	1,509,078	1,509,206	1,578,350	1,539,500	1,407,417	1,437,505	1,300,302	1,330,722	1,290,401	1,245,692
Intangible and other noncurrent assets (net)	570,057	504,191	349,724	535,250	370,849	500,345	481,050	477,202	407,020	448,459	433,003	418,527	420,000	390,584
Total Assets	2,310,721	2,340,572	2,507,115	2,340,785	2,210,620	2,305,561	2,082,071	2,347,715	2,610,005	2,407,504	2,130,509	2,150,260	2,130,400	2,320,710

Accounts Payable	\$ 4,518,698	\$ 4,745,341	\$ 4,913,515	\$ 4,812,901	\$ 3,084,168	\$ 3,502,305	\$ 3,319,106	\$ 3,420,430	\$ 2,171,478	\$ 2,130,129	\$ 1,031,000	\$ 1,040,104	\$ 1,030,100	\$ 2,020,641
Accrued Payroll Liabilities	237,200	228,038	207,137	201,400	180,171	200,372	195,751	184,644	208,084	202,967	194,568	171,457	281,337	287,959
Accrued Expenses	544,289	489,476	408,782	303,022	622,005	530,412	408,025	457,742	551,449	554,450	568,504	591,007	503,650	628,710
Customer Deposits	8,538	17,337	19,200	2,907	30,882	32,757	28,323	13,029	4,303	4,383	8,104	16,235	7,300	8,304
Deferred Revenue	35,625	39,375	43,125	48,875	50,625	54,375	58,125	61,875	-	-	-	-	-	-
Total current liabilities	5,345,350	5,517,267	5,581,738	5,367,184	4,580,311	4,348,301	4,007,330	4,155,727	2,935,314	2,881,828	2,603,176	2,618,802	2,740,473	2,953,820
Long-term debt and capital lease obligations	2,087,712	2,100,369	2,153,891	2,412,351	3,221,335	3,073,969	3,750,073	4,000,822	3,010,223	3,802,070	3,047,326	3,057,211	3,741,083	3,753,608
Total liabilities	7,433,071	7,617,636	7,735,629	7,779,535	7,801,646	7,422,270	7,757,403	8,156,549	5,945,537	6,683,898	5,650,502	5,676,012	6,481,556	6,707,428

Shareholders' equity														
Capital stock	37,489	37,489	39,161	39,161	39,161	39,161	39,161	39,161	91,100	91,100	91,100	91,100	91,100	91,100
Additional Paid in Capital	874,166	880,968	1,099,654	1,099,654	1,099,654	1,099,654	1,099,654	1,099,654	2,547,709	2,547,709	2,547,709	2,547,709	2,547,709	2,547,709
Dividends declared	(35,625)	(38,375)	(43,125)	(46,875)	(50,625)	(54,375)	(58,125)	(61,875)	-	-	-	-	-	-
Retained Earnings - 2001	-	(200,763)	(425,814)	(594,820)	(706,421)	(752,759)	(794,201)	(997,313)	(778,977)	(911,030)	(1,068,358)	(908,178)	(1,028,581)	(1,028,581)
Retained Earnings - 2000	(5,908,390)	(5,908,390)	(5,908,390)	(5,908,390)	(5,908,390)	(5,908,390)	(5,908,390)	(5,908,390)	(5,908,390)	(5,908,390)	(5,908,390)	(5,908,390)	(5,908,390)	(5,908,390)
Retained Earnings - Prior Years	(5,082,350)	(5,277,003)	(5,288,513)	(5,471,268)	(5,580,820)	(5,630,709)	(5,681,901)	(5,868,763)	(4,100,551)	(4,241,405)	(4,225,932)	(4,317,753)	(4,358,155)	(4,380,782)
Total shareholders' equity	(5,082,350)	(5,277,003)	(5,288,513)	(5,471,268)	(5,580,820)	(5,630,709)	(5,681,901)	(5,868,763)	(4,100,551)	(4,241,405)	(4,225,932)	(4,317,753)	(4,358,155)	(4,380,782)
Total liabilities and shareholders' equity	2,310,721	2,340,572	2,507,115	2,340,785	2,210,620	2,305,561	2,082,071	2,347,715	2,610,005	2,407,504	2,130,509	2,150,260	2,130,400	2,320,710
Check Assets=Liabilities+OE	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Net Income	(200,703)	(225,060)	(169,000)	(111,001)	(40,338)	(41,442)	(203,112)	210,337	(132,063)	15,472	(91,020)	(40,403)	(28,030)	(28,030)

Total Company Income Statement Trend Report

Revenue	21-Jan-00	20-Feb-00	21-Mar-00	20-Apr-00	21-May-00	20-Jun-00	21-Jul-00	21-Aug-00	20-Sep-00	21-Oct-00	20-Nov-00	21-Dec-00	21-Jan-01
Installation Fees	\$ 118,083	\$ 114,355	\$ 67,826	\$ 49,677	\$ 55,844	\$ 47,368	\$ 42,228	\$ 44,209	\$ 48,761	\$ 91,346	\$ 90,131	\$ 87,243	\$ 106,095
Recondition Fees	213,483	160,170	153,779	138,651	130,222	117,137	122,555	99,165	84,240	111,386	99,180	99,264	100,394
Recurring Billings	1,090,777	1,043,881	989,279	893,041	893,971	821,924	763,943	686,365	619,073	688,324	681,785	727,013	1,064,412
Others	69,176	62,887	55,460	50,687	46,104	44,374	38,050	32,207	28,463	34,750	45,453	50,420	51,460
Uncollected Advance Billings and Other	(223,813)	(175,860)	(136,154)	(71,840)	(93,561)	(78,596)	(68,461)	(69,927)	3,908	24,904	(23,975)	(1,680)	(62,150)
Total Revenue	1,265,706	1,205,413	1,130,190	1,060,216	1,030,280	932,207	898,415	792,009	784,445	930,210	887,604	962,760	1,235,841
Direct Cost of Sales	774,807	747,936	694,743	559,415	493,816	467,010	382,745	422,503	437,714	420,316	439,600	512,703	721,530
Total Direct Cost of Sales	490,899	457,477	435,447	500,801	516,564	485,197	315,670	369,506	346,731	379,874	448,001	440,657	534,121
Gross Profit	39%	38%	39%	47%	52%	51%	35%	47%	44%	56%	50%	47%	43%
OM%													

Indirect Cost of Sales

Wages Salaries PT Tax and Benefits	355,935	334,162	303,357	326,403	303,507	280,735	282,509	319,660	288,355	279,116	262,513	341,418	316,616
Employee Relations	2,391	6,560	(1,392)	485	1,956	3,857	4,447	525	1,199	1,542	2,365	1,711	1,035
Contract Labor	22,948	21,000	22,206	21,628	37,465	33,292	17,890	3,156	4,030	2,500	-	(1,349)	-
Advertising	14,940	32,066	902	17,369	89	111	125	108	98	37,885	36,932	32,547	34,178
Promotion	3,691	4,933	6,635	3,042	3,809	2,608	1,806	2,786	2,088	5,705	4,585	4,751	6,985
Telecommunications	50,302	38,871	34,032	27,191	25,485	25,136	24,994	24,832	22,617	10,689	36,175	36,438	39,018
Postage	8,373	5,844	5,405	7,979	5,238	4,915	(2,895)	7,072	1,287	6,561	12,129	4,795	6,858
Bank Charges	1,876	1,216	665	1,736	1,417	1,216	553	270	101	919	1,411	6,573	2,584
Total Indirect Cost	460,456	445,172	371,810	405,833	378,696	351,870	329,429	358,409	319,775	344,917	356,110	426,884	407,344
Gross Profit (Loss) after Indirect	30,443	12,285	61,617	94,968	157,868	133,327	(13,759)	11,097	76,956	184,957	91,894	22,773	126,977
Gross Profit As a % of Sales	2%	1%	6%	9%	15%	14%	-2%	1%	3%	19%	10%	2%	10%
Indirect (Variable) Costs as a % of Sales	36%	37%	33%	38%	37%	37%	37%	45%	41%	36%	40%	44%	32%

Operating Costs

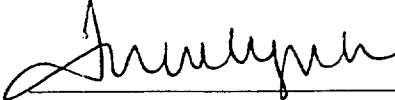
Professional Services	67,828	63,563	57,217	37,980	44,212	41,441	42,665	27,232	18,463	25,242	33,032	(24,921)	23,684
Educational Services	329	85	1,000	68	-	1,460	(390)	138	507	-	240	675	950
Recruiting	4,008	9,108	5,762	2,295	5,721	4,521	25	10,795	25	301	25	245	235
Travel and Entertainment	281	1,284	1,002	-	4,000	2,338	3,783	340	4,019	5,194	15,585	3,032	2,494
Meals	8	97	23	-	217	13	-	17	980	1,017	1,431	1,244	923
Auto Expenses	1,068	1,484	1,448	1,589	1,256	1,468	1,493	1,452	992	1,506	638	455	256
Delivery Charges	953	1,056	1,317	1,229	867	891	1,147	918	588	1,249	769	1,879	1,398
Office Supplies	1,312	2,405	2,573	1,030	926	1,591	402	501	588	604	256	5,983	4,693
Printing	8,967	1,221	2,177	6,743	1,566	3,330	-	761	4,353	6,912	8,135	6,515	2,614
Equipment Expenses	5,057	5,440	6,154	6,369	5,461	6,293	8,330	5,536	6,421	6,912	15,000	15,000	15,000
Rent	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Building Utilities/Maintenance	5,184	5,322	4,351	5,386	4,717	4,469	4,635	4,888	4,206	3,417	3,112	4,833	5,240
Insurance	2,456	4,028	4,781	4,835	5,670	5,745	5,001	4,487	4,206	3,147	99	-	3,096
Subscriptions	105	4,072	50	695	15	-	2,535	2,113	4,796	2,149	3,123	3,467	2,257
Licenses & Fees	(173)	239	219	695	15	366	6,251	1,646	4,796	2,149	3,123	3,467	2,257
Taxes, Misc.	1,922	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,698	1,869
Charitable Contributions	114,305	116,602	104,742	89,680	92,730	90,649	92,575	79,022	70,641	73,764	89,156	24,856	65,483
Total Operating Costs	(105)	1,070	(2,892)	15,742	(379)	34,630	(1,511)	387,761	11,937	1,485	(1,435)	22,251	(765)
Misc. Income													
Net Income (Loss) (EBITDA)	(83,967)	(103,247)	(43,997)	21,030	64,809	77,308	(107,845)	319,836	(11,748)	112,678	1,303	23,168	60,329
Interest Expense	57,195	58,248	67,540	76,598	56,762	63,809	16,609	29,087	30,561	33,454	30,077	3,053	29,989
Depreciation/Amortization	59,203	63,533	57,469	56,032	54,383	54,939	78,657	72,175	70,545	63,749	63,047	60,518	59,176
State Income Taxes	400	25	-	-	-	-	-	240	-	-	-	-	-
Profit Sharing	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income (Loss)	(200,765)	(225,033)	(169,006)	(111,600)	(46,336)	(41,440)	(200,111)	218,334	(132,854)	15,475	(91,820)	(40,403)	(28,616)

EXHIBIT

“G”

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Notice of the Application of 1-800-Reconex, Inc., for a Certificate to Provide Competitive Local Telecommunications Service within the State of Tennessee was served by United States mail on the parties of record identified on the attached list on this 29th day of March 2001.



Anne Lynch

BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN RE:

**APPLICATION OF 1-800-RECONEX, INC.,
FOR A CERTIFICATE TO PROVIDE
COMPETITIVE LOCAL
TELECOMMUNICATION SERVICES**

NOTICE

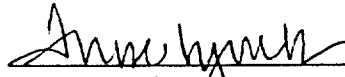
**TO: ALL CERTIFIED INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFIED IN TENNESSEE (FACILITIES-BASED)**

In accordance with the Tennessee Regulatory Authority's ("TRA") Rules of Practice and Procedure you are hereby given notice that on 1-800-RECONEX, Inc. filed an Application for Certificate to Provide Facilities-Based Competitive Local Telecommunications Services with the TRA.

Additional information concerning this proceeding may be obtained from the Commission or the Company at the following address:

Anne Lynch, Regulatory Manager
PO Box 40
Hubbard, Oregon 97032
503-982-5572 (phone)
503-982-6077 (fax)

Dated this 29th day of March 2001.



Anne Lynch
Regulatory Manager

LISTING
INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFICATED IN TENNESSEE
(FACILITIES-BASED)

- 1) **ARDMORE TELEPHONE COMPANY, INC.**
P.O. Box 549
517 Ardmore Avenue
Ardmore, TN 38449
(205) 423-2131
(205) 423-2208 (Fax)

- 2) **BELLSOUTH**
333 Commerce Street
Nashville, TN 37201-3300
(615) 214-3800
(615) 214-8820 (Fax)

- 3) **CENTURY TELEPHONE OF ADAMSVILLE**
P.O. Box 405
116 N. Oak Street
Adamsville, TN 38310
(901) 632-3311
(901) 632-0232 (Fax)

- 4) **CENTURY TELEPHONE OF CLAIBORNE**
P.O. Box 100
507 Main Street
New Tazewell, TN 37825
(423) 626-4242
(423) 626-5224 (Fax)

- 5) **CENTURY TELEPHONE OF OOLTEWAH-COLLEGE DALE, INC.**
P.O. Box 782
5616 Main Street
Ooltewah, TN 37363
(423) 238-4102
(423) 238-5699 (Fax)

- 6) **CITIZENS COMMUNICATIONS COMPANY OF TENNESSEE**
P.O. Box 770
300 Bland Street
Bluefield, WV 24701

LISTING
INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFICATED IN TENNESSEE
(FACILITIES-BASED)

- 7) **CITIZENS COMMUNICATIONS COMPANY OF THE VOLUNTEER STATE**
P.O. Box 770
300 Bland Street
Bluefield, WY 24701
- 8) **LORETTO TELEPHONE COMPANY, INC.**
P.O. Box 130
Loretto, TN 38469
(931) 853-4351
(931) 853-4329 (Fax)
- 9) **MILLINGTON TELEPHONE COMPANY, INC.**
P.O. Box 429
4880 Navy Road
Millington, TN 38083-0429
(901) 872-3311
(901) 873-0022 (Fax)
- 10) **SPRINT-UNITED**
112 Sixth Street
Bristol, TN 37620
(423) 968-8161
(423) 968-3148 (Fax)
- 11) **TDS TELECOM-CONCORD TELEPHONE EXCHANGE, INC.**
P.O. Box 22610
701 Concord Road
Knoxville, TN 37933-0610
(423) 966-5828
(423) 966-9000 (Fax)
- 12) **TDS TELECOM-HUMPHREYS COUNTY TELEPHONE COMPANY**
P.O. Box 552
203 Long Street
New Johnsonville, TN 37134-0552
(931) 535-2200
(931) 535-3309 (Fax)
- 13) **TDS TELECOM-TELLICO TELEPHONE COMPANY, INC.**
P.O. Box 9

LISTING
INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFICATED IN TENNESSEE
(FACILITIES-BASED)

102 Spence Street
Tellico Plains, TN 37385-0009
(423) 671-4600
(423) 253-7080 (Fax)

14) **TDS TELECOM-TENNESSEE TELEPHONE COMPANY**

P.O. Box 18139
Knoxville, TN 37928-2139
(423) 922-3535
(423) 922-9515 (Fax)

15) **TEC-CROCKETT TELEPHONE COMPANY, INC.**

P.O. Box 7
Friendship, TN 38034
(901) 677-8181

16) **TEC-PEOPLE'S TELEPHONE COMPANY, INC.**

P.O. Box 310
Erin, TN 37061
(931) 289-4221
(931) 289-4220 (Fax)

17) **TEC-WEST TENNESSEE TELEPHONE COMPANY, INC.**

P.O. Box 10
244 E. Main Street
Bradford, TN 38316
(901) 742-2211
(901) 742-2212 (Fax)

18) **UNITED TELEPHONE COMPANY**

P.O. Box 38
120 Taylor Street
Chapel Hill, TN 37034
(931) 364-2289
(931) 364-7202 (Fax)

EXHIBIT
“H”

BEFORE THE
TENNESSEE REGULATORY AUTHORITY

APPLICATION OF 1-800-RECONEX, INC.
FOR A CERTIFICATE TO PROVIDE
COMPETING LOCAL TELEPHONE
SERVICES

PRE-FILED TESTIMONY OF DAVE GRIFFEE

I, Dave Griffiee, do hereby testify as follows in support of the application of 1-800-RECONEX, Inc. ("Reconex") ("Applicant") for a Certificate of convenience and necessity as a competing telecommunications service provider to provide telecommunication services throughout the state of Tennessee,

Q: Please state your full name, business address, and position.

A: My name is Dave Griffiee. My business address is 2500 Industrial Avenue, Hubbard, Oregon 97032. I am the President and Chief Executive Officer for the Applicant.

Q: Please describe your business experience and educational background.

I joined Reconex in 2000. I co-founded U.S. Digitel, Inc., in 1997 and held the position of President from 1997 to 2000 when the company was sold. I installed and networked eight NACT digital switches whose combined capacity totaled 10,752 voice ports and grew the company to \$80,000,000.00 in annualized revenue. From 1996 to 1997, I was Vice President of Operations for Total World Telecom, Inc., where my group installed, networked and made operational, four digital switches, bringing the network total to nine switches. In early 1997 Total World Telecom, Inc., aggressively entered into the debit card business and my group installed and activated two CPDI debit card platforms, each providing over eighty DS1's of capacity. From 1990 to 1996, I was the Executive Vice President and Chief Operating Officer for Call America/Uni-Net, Inc. From January 1990 to September 1993 revenues were increased by 400%, cost of sales were lowered to provide a 40% gross margin while attrition and bad debt were reduced to below 2%. From 1986 to 1989 I was the Vice President of Operations for Tele-Fibernet Corporation. During my tenure at Tele-Fibernet, I converted the network from two analog switches to four networked digital switches and built an East Coast network from Florida to Massachusetts and extended that network west into over 70 metropolitan areas. In 1988 my group installed an Operator Service Center that employed over 200 operators on 32 operator positions. From 1969 to 1986 I worked for Indiana Bell/Southwestern Bell Where I received technical and management training that constituted over one hundred weeks of intensive classroom and laboratory training. I attended Indiana University and Purdue University.

Q: Are all statements in Reconex's Application true and correct to the best of your knowledge, information and belief?

Yes.

Q: Does Reconex possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?

A: Yes. The company has sufficient technical, financial, and managerial resources and ability to provide the telecommunications services for which authority is sought herein. The Company's personnel represents a broad spectrum of business and technical disciplines, possessing many years of individual and aggregated telecommunications experience. The qualifications and experience of the members of the senior management team are set forth in the Application.

The Company has been providing local exchange service since 1992. Reconex has met the managerial, technical, and financial requirements in all 45 jurisdictions (including Tennessee) in which it is presently certified.

The Company Call Center and Provisioning Department benefit from state-of-the-art automated systems which allow for ease of communications with the Company's customers and a streamlined ordering process with the Incumbent Local Exchange Carriers and Interexchange Carriers.

Q: Please describe Reconex's managerial and technical qualifications.

A: As stated and explained above in the previous question, Reconex has sufficient managerial and technical resources and ability to provide the telecommunications services for which authority is sought herein.

Q: Please describe Reconex's financial qualifications.

A: In support of Reconex's financial ability to provide the services sought herein, Reconex's Financial Statements ending December 2000 were submitted as Exhibit (F) to the Application.

Q: What services will Reconex offer?

A: Reconex was approved to provide resell telecommunications service on July 9, 1997, Case No. 97-1188, and currently provides local residential telecommunications service through reselling the services of the Incumbent Local Exchange Carrier (ILEC). Reconex currently has a Resale Agreement with BellSouth and Sprint/United. Reconex seeks authority to operate as a facility-based local exchange telecommunications service provider in order to obtain an Interconnection Agreement with the Incumbent Local Exchange Carrier. Reconex has no plans at this time to construct any telecommunications transmission facilities of its own. Reconex intends to engage in "switchless" resale. Reconex will arrange for the traffic of underlying subscribers to be routed directly over the networks of Applicant's network providers.

Q: Will Reconex offer service to all customers within its service area?

A: Yes.

Q: Does Reconex plan to offer local exchange telecommunications services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines?

Reconex intends to offer local exchange telecommunications services through the use of the facilities of BellSouth, Sprint/United and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996

Q: Will the granting of a certificate of convenience and necessity to Reconex serve the public interest?

A: Yes. Commission approval should bring the following long-term benefits to telephone users:

- (1) More competition, additional services, and a better product at competitive prices;
- (2) Increased consumer choice as well as innovative telecommunications services;
- (3) Efficient use of existing communications resources as well as increased diversification and reliability of supply of communications services;
- (4) Development of an expanded telecommunications supply industry in Tennessee; and
- (5) An expanded tax base and revenue source for the state of Tennessee.

Q: Does Reconex intend to comply with all TRA rules, statutes, and orders pertaining to the provision of telecommunications services in Tennessee, including those for disconnection and reconnection of service?

A: Yes.

Q: Has any state ever denied Reconex or one of its affiliates authorization to provide intrastate service?

A: On June 4, 1998, the Public Utility Commission of South Dakota denied the Application of Sterling International Funding, Inc., d/b/a Reconex, the predecessor of 1-800-RECONEX, Inc., for a Certificate of Authority to provide local exchange service. The denial was based on the failure of Sterling to respond to requests from the Commission for additional data.

Sterling's failure to respond was based on the fact that the additional requests for data were never received. Sterling had moved its corporate headquarters in February of 1998 and had informed all state Commissions. For reasons still unknown, the requests for additional information did not arrive at the new corporate headquarters. When Sterling received the June 4, 1998 denial we immediately filed for a Motion for Reconsideration based on the above facts and the Motion, as well as, ultimate certification were granted.

There have been no other denials of Reconex, or any of its affiliates, for any authority to provide telecommunications services.

Q: Has any state ever revoked the certification of Reconex or one of its affiliates?

A: No.

Q: Has Reconex or one of its affiliates ever been investigated or sanctioned by any regulatory authority for service or billing irregularities?

A: On July 23, 1999, Reconex was served with a formal complaint by the state of Washington Utilities and Transportation Commission (WUTC). The Complaint alleged violations of various Washington Administrative Rules and were largely in the nature of meeting specific time frames for the delivery of bills and the filing of disconnection notices, charging the proper amounts under the tariff, and the ultimate disconnection of the customer. The Commission and Reconex agreed that the bulk of these issues were caused by the Reconex system, which at the time, was not capable of programming on a state specific basis and developed a settlement plan geared around system improvements and the possibility imposition of fines if the alleged violations continued.

Reconex has not been the subject of any other investigations or sanctions by any regulatory authority for service or billing irregularities?

Q: Who is knowledgeable about Reconex's operations and will serve as Reconex's regulatory and customer service contact?

A: General customer service questions, complaints, inquiries can be handled by our call center by calling our toll-free number, 1-800-275-8223. Regulatory Issues can be handled by Anne Lynch, Regulatory Manager at 503-982-5572. Commission inquiries

into customer service issues can be directed to Sandra Elliot, Project Manager at 1-800-973-9788 ext. 4155.

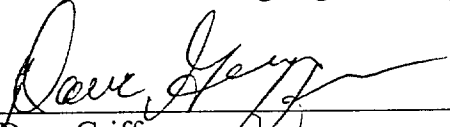
Q: Please explain in detail Reconex's proposed procedures for responding to information requests from the TRA and its staff.

Reconex currently provides timely Commission data requests for forty-five (45) jurisdictions including Tennessee. Any information request from the TRA and its staff would be directed to Anne Lynch, our Regulatory Manager. Anne Lynch's primary duty is to respond to Commission information requests which would include any requests from the TRA and its staff.

Q: Does this conclude your testimony?

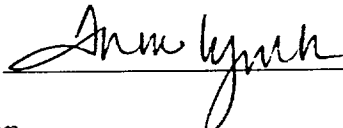
A: Yes. I would like to thank the Commission for this opportunity to provide information relevant to Reconex's Application and am ready to provide any additional information that the Commission may need in making its decision.

I swear that the foregoing testimony is true and correct to the best of my knowledge.



Dave Griffie
President/CEO
1-800-RECONEX, Inc.

Subscribed and sworn to me this 28th day of March 2001.

Notary Public 

State of Oregon
County of Marion

My commission expires 10/22/01



EXHIBIT
“I”

TITLE SHEET

TENNESSEE TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to furnishing of service and facilities for telecommunications services provided by 1-800-RECONEX, Inc., with principal offices at 2500 Industrial Avenue, Hubbard, Oregon 97032. This tariff applies for services furnished within the Commonwealth of Tennessee. This tariff is on file with the Tennessee Regulatory Authority, and copies may be inspected, during normal business hours, at the Company's principal place of business.

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

The sheets of this tariff are effective as of the date shown. The original and revised sheets named below contain all changes from the original tariff and are in effect on the date shown.

Sheet	Revision
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original
21	Original
22	Original
23	Original

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

TABLE OF CONTENTS

Title Sheet.....	1
Check Sheet	2
Table of Contents	3
Symbols Sheet	4
Tariff Format Sheet.....	5
Section 1 – Technical Terms and Abbreviations	6
Section 2 – Rules and Regulations	8
Section 3 – Description of Service	19
Section 4 – Rates	22

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SYMBOLS SHEET

D – Delete or Discontinue

I – Change Resulting in an Increase to a Customer's Bill

M – Moved from Another Tariff Location

N – New

R – Change Resulting in a Reduction to a Customer's Bill

T – Change in Text or Regulation but no Change in Rate or Charge

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff - When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the Regulatory Authority. For example, the 4th Revised Sheet 14 cancels the 3rd Revised Sheet 14. Because of various suspension periods, deferrals, etc. the Regulatory Authority follows in their tariff approval process, the most current sheet number on file with the Regulatory Authority is not always the tariff page in effect.
- C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level-.
- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a).
- 2.1.1.A.1.(a).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).(1).
- D Check Sheets - When a tariff filing is made with the Regulatory Authority, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on the check sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Regulatory Authority.

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS

Certain terms used generally throughout this Tariff are defined below.

Automatic Location Identification ("ALI") - The name and address associated with the calling party's telephone number (identified by ANI as defined below) is forwarded to the PSAP for display. Additional telephones with the same number as the calling party's (secondary locations, off premises, etc.) will be identified with the address of the telephone number at the main location.

Automatic Number Identification ("ANI") - A system whereby the calling party's telephone number is identified and sent forward with the call record for routing and billing purposes. E911 Service makes use of this system.

Call Initiation - The point in time when the exchange network facility are initially allocated for the establishment of a specific call.

Call Termination - The point in time when the exchange network facility allocated to a specific call is released for reuse by the network.

Regulatory Authority - Tennessee Regulatory Authority.

Company - 1-800-RECONEX, Inc., unless otherwise clearly indicated from the context.

Customer - The person, firm, corporation, or other entity which orders service pursuant to this Tariff and utilizes service provided under Tariff by the Company. A customer is responsible for the payment of charges and for compliance with all terms of the Company's Tariff.

Customer Premises Equipment ("CPE") - Equipment provided by the customer for use with the Company's services. CPE can include a station set, facsimile machine, key system, PBX, or other communication system,

Day - From 8:00 AM up to but not including 5:00 PM local time Sunday through Friday.

Evening - From 5:00 PM until but not including 11:00 PM local time Sunday through Friday.

Exchange - An area, consisting of one or more central office districts, within which a call between any two points is a local call.

Final Account - A customer whose service has been disconnected who has outstanding charges still owed to the Company.

Holidays - The Company's recognized holidays are New Year's Day, July 4th, Thanksgiving Day, Christmas Day.

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS (CONT'D)

Interruption - The inability to complete calls, either incoming or outgoing or both, due to the Underlying Carrier's facilities malfunction or human errors.

LATA - Local Access and Transport Area. The area within which the Company provides long distance ("intraLATA") service.

Move - The disconnection of existing equipment at one location and reconnection of the same equipment at a new location in the same building or in a different building on the same premises.

Rate Center - A geographic reference point with specific coordinates on a map used for determining mileage when calculating charges.

Toll Call - Any call extending beyond the local exchange of the originating caller which is rated on a toll schedule by the Company.

Underlying Carrier - The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer telecommunications traffic.

User - A Customer or any other person authorized by the Customer to use service provided under this Tariff.

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 2 – RULES AND REGULATIONS

2.1 Undertaking of the Company

The Company's service and facilities are furnished for communications originating at specified points within the Commonwealth of Tennessee under terms of this tariff.

The Company resells the communications services provided herein through the Underlying Local and Long Distance Carrier in accordance with the terms and conditions set forth under this tariff. It may act as the customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the customer, to allow connection of a customer's location to the Underlying Carrier's network. The customer shall be responsible for all charges due for such service arrangement.

The Company's services are provided on a monthly basis unless ordered on a longer term basis, and are available twenty-four hours per day, seven days per week.

2.2 Limitations

2.2.1 Service is offered subject to the availability of the Underlying Carrier's facilities and the provisions of this Tariff.

2.2.2 Only those services for which rates are provided are currently available.

2.2.3 The Company reserves the right to discontinue furnishing service, or limit the use of service necessitated by conditions beyond its control: or when the customer is using service in violation of the law or the provisions of this tariff.

2.2.4 All services provided under this tariff are directly controlled by the Company and the customer may not transfer or assign the use of service or facilities, except with the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service.

2.2.5 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions for service.

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 2 – RULES AND REGULATIONS (CONT'D)

2.3 Liability of the Company

2.3.1 The Company's liability arising out of mistakes, interruptions, omissions, delays, errors, or defects, or representations arising out of the furnishing of its services, and not caused by the negligence of its employees or its agents, in no event shall exceed an amount equivalent to the proportionate charge to the customer for the period during which the aforementioned faults in transmission occur, unless ordered by the Regulatory Authority.

2.3.2 The Company's liability for willful misconduct, if established as a result of judicial or administrative proceedings, is not limited by this Tariff. With respect to any claim or suit, by a Customer or by any others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this Tariff

2.3.3 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes, any law, order, regulation, direction, action or request of the United States government or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, Regulatory Authority, bureau, corporation or other instrumentality of any one or more of these federal, state, or local governments, or of any military authority; preemption of existing service in compliance with national emergencies; riots, wars; unavailability of rights-of-way or materials, or strikes, lockouts, work-stoppages, or other labor difficulties.

2.3.4 The Company shall not be liable for:

- (a) Any act or omission of any entity furnishing the Company or the Company's Customers facilities or equipment used for or with the services the Company offers, or
- (b) For the acts or omissions of other common carriers or their employees or agents.

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 2 – RULES AND REGULATIONS (CONT'D)

2.3 Liability of the Company (Cont'd)

- 2.3.5 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.
- 2.3.6 The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, condition, location or use of any installation provided by the Company. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section as a condition to such installations.
- 2.3.7 The Company shall not be liable for any defacement of or damage to the Customer's premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by the willful misconduct of the Company's agents or employees. No agents or employees of other entities shall be deemed to be agents or employees of the Company.
- 2.3.8 The Company shall be indemnified and held harmless by the customer and any authorized user against:
- (a) Claims for liable, slander, invasion of privacy or infringement of copyright arising from the material, data, information, or other content transmitted via the Company's service, and
 - (b) Patent infringement claims arising from combining or connecting the service offered by the Company with apparatus and systems of the Customer or others, and
 - (c) All other claims arising out of any act or omission of the Customer or others, in connection with any service provided by the Company pursuant to this Tariff.

Issued: _____
By: _____Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 2 – RULES AND REGULATIONS (CONT'D)2.3 Liability of the Company (Cont'd)

- 2.3.9 The entire liability of the Company for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid to the Company by the Customer for the specific services giving rise to the claim, and no action or proceeding against the Company shall be commenced more than one year after the service is rendered.
- 2.3.10 The Company makes no warranties or representations, expressed or implied either in fact or by operation of law, statutory or otherwise, including warranties of merchantability or fitness for a particular use, except those expressly set forth herein.
- 2.3.11 The Company shall not be liable for any act or omission of any other company or companies furnishing a portion of the service, or for damages associated with service, facilities or equipment which it does not furnish, or for damages which result from the operation of Customer-provided systems, equipment, facilities or services which are interconnected with Company services.
- 2.3.12 The Company does not guarantee nor make any warranty with respect to service installations at locations of which there is present atmosphere that is explosive, prone to fire, dangerous or otherwise unsuitable for such installations. The Customer shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to, or death of, any person or persons, or for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, locations or use of service furnished by the Company at such locations.

Issued: _____
By: _____Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 2 – RULES AND REGULATIONS (CONT'D)

2.3 Liability of the Company (Cont'd)

2.3.13 The Company shall not be liable for the Customer's failure to fulfill its obligations to take all necessary steps including, without limitation, obtaining, installing and maintaining all necessary equipment, materials and supplies, for interconnecting the Station, terminal equipment or communications system of the Customer, or any third-party acting as its agent, to the Underlying Carrier's network. The Customer shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the Customer shall insure that its equipment and/or system or that of its agent is properly interfaced with the Company's service, that the signals emitted into the Underlying Carrier's network are of the proper mode, band-width, power, data speed, and signal level for the intended use of the Customer, and that the signals do not damage Company or Underlying Carrier equipment, injure its personnel or degrade service to other Customers. If the Customer or its agent fails to maintain and operate its equipment and/or system or that of its agent properly, with resulting harm to Company or Underlying Carrier equipment, personnel, or the quality of service to other Customers, the Company may require the use of protective equipment at the Customer's expense or terminate the Customer's service without liability.

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 2 – RULES AND REGULATIONS (CONT'D)

2.3 Liability of the Company (Cont'd)

2.3.14 With respect to Emergency Number 911 Service:

(a) This service is offered solely as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by:

(1) Mistakes, omissions, interruptions, delays, errors or other defects in the provision of this service, or

(2) Installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of equipment and facilities furnishing this service.

(b) Neither is the Company responsible for any infringement or invasion of the right of privacy of any person or persons, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of enhanced 911 service features and the equipment associated therewith, or by any services furnished by the Company including, but not limited to, the identification of the telephone number, address or name associated with the telephone used by the party or parties accessing enhanced 911 service, and which arise out of the negligence or other wrongful act of the Company, the Customer, its Users, agencies or municipalities, or the employees or agents of any one of them.

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 2 – RULES AND REGULATIONS (CONT'D)

2.3 Liability of the Company (Cont'd)

2.3.15 The Company's liability arising from errors or omissions in Directory Listings, other than charged listings, shall be limited to the amount of actual impairment to the Customer's service. In cases of charged Directory Listings, the liability of the Company shall be limited to an amount not exceeding the amount of charges for the charged listings involved during the period covered by the directory in which the error or omission occurs.

2.3.16 The Company will not be liable for failure or refusal to complete any call to a Nonpublished Listing when the call is not placed by number. The Company will try to prevent the disclosure of the number of such telephone, but will not be liable should such number be divulged.

2.3.17 When a Customer with a Nonpublished Listing as defined herein, places a call to the Emergency 911 Service, the Company will release the name and address of the calling party, where such information can be determined, to the appropriate local governmental authority responsible for the Emergency 911 Service upon request of such governmental authority. By subscribing to service under this Tariff, Customer acknowledges and agrees with the release of information as described above.

2.4 Interruption of Service

2.4.1 Without incurring liability, Reconex may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and Reconex's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified

2.4.2 Service may be interrupted or discontinued by Reconex without notice to the Customer, by blocking traffic to certain countries, cities or NXX exchanges when Reconex deems it necessary to take such action to prevent unlawful use of its service. Reconex will restore service as soon as it can be provided without undue risk.

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 2 – RULES AND REGULATIONS (CONT'D)

2.4.3 Credit Allowance:

- 2.4.3.1 No credit is allowed in the event that service must be interrupted in order to provide routine service quality or related investigations.
- 2.4.3.2 Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of the Company or in the event that the Company is entitled to a credit for the failure of the facilities of the Company's Underlying Carrier used to furnish service.
- 2.4.3.3 Credit for interruption shall commence after the Customer notifies the Company of the interruption or when the Company becomes aware thereof, and ceases when service has been restored.
- 2.4.3.4 For purpose of credit computation, every month shall be considered to have 720 hours.
- 2.4.3.5 No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.4.3.6 The Customer shall be credit for an interruption of two hours or more at the rate of $1/720^{\text{th}}$ of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

Credit Formula:

$$\text{Credit} = \frac{A}{720} \times B$$

"A" – outage time in hours

"B" – monthly charge for affected activity

Issued: _____
By: _____Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 2 – RULES AND REGULATIONS (CONT'D)2.5 Disconnection of Service by Carrier

The Company (carrier), upon 5 working days written notice to the customer, may discontinue service or cancel an application for service without incurring any liability for any of the following reasons:

- 2.5.1 Non-payment of any sum due to carrier for regulated service for more than thirty days beyond the date of rendition of the bill for such service.
- 2.5.2 A violation of any regulation governing the service under this tariff.
- 2.5.3 A violation of any law, rule, or regulation of any government authority having jurisdiction over such service.
- 2.5.4 The company has given the customer notice and has allowed a reasonable time to comply.
- 2.5.5 Service may be disconnected without notice for tampering with the Underlying Carrier or Company equips for interfering with service to other customers, or for fraud.

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 2 – RULES AND REGULATIONS (CONT'D)

2.6 Deposits

2.6.1 Subject to special provisions as may be set forth below, any applicant or customer whose financial responsibility is not established to the satisfaction of the Company may be required to deposit a sum up to an amount equal to the total of the estimated intrastate toll charges for up to two months for the facilities and service. If the minimum period of service for the requested facilities and service is more than one month, as specified in this Tariff, the customer may also be required to deposit a sum up to an amount equal to the total charges for service for the minimum service period less any connection charge paid by the customer.

2.6.2 The fact that a deposit has been made shall in no way relieve the applicant or customer from complying with the Tariff regulations for the prompt payment of bills on presentation. Each applicant from whom a deposit is collected will be given a certificate of deposit and circular containing the terms and conditions applicable to deposits, in accordance with the Rules and Regulations of the Regulatory Authority pertaining to customer deposits.

- a. Interest on Deposits: Five percent (5%) interest shall be credited or paid to the Customer while the Company holds the deposit.
- b. Return of Deposit: When a deposit is to be returned, the customer may request that the full amount of the deposit be issued by check. If the customer requests that the full amount be credited to amounts owed the Company, the Company will process the transaction on the billing date and apply the deposit to any amount currently owed to the Company, and return any remaining amount of the deposit to the customer by check.

2.7 Advance Payment

For customers whom the Company feels an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and if necessary a new advance payment will be collected for the next month.

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 2 – RULES AND REGULATIONS (CONT'D)

2.8 Taxes

The Customer is responsible for the payment of any sales, use gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however designated) excluding taxes on the Company's net income assessed in conjunction with service used. Any taxes imposed by a local jurisdiction (e.g. County and municipal taxes) will only be recovered from those Customers residing in the affected jurisdictions.

2.9 Billing of Calls

All charges due by the customer are payable at any agency duly authorized to receive such payments. Any objection to billed charges should be promptly reported to the Company. Adjustments to customers' bills shall be made to the extent that records are available and/or circumstances exists which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise appropriate.

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 3 – DESCRIPTION OF SERVICE

3.1 Timing of Calls

3.1.1 When Billing Charges Begin and End for Phone Calls

The Customer's long distance usage charge is based on the actual usage of the Underlying Carrier's network. Usage begins when the called party picks up the receiver, (i.e. when 2 way communication, often referred to as "conversation time" is possible). A call is terminated when the calling or called party hangs up.

3.1.2 Billing Increments

The minimum call duration for billing purposes is 1 minute for a connected call and calls beyond 1 minute are billed in 1-minute increments.

3.1.3 Uncompleted Calls

There shall be no charges for uncompleted calls.

3.2 Calculation of Distance

Usage charges for all mileage sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers that are produced by Bell Communications Research in the NPA-NXX V& H Coordinates Tape and Bell's NECA Tariff NO. 4.

FORMULA:

The square
root of:
$$\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}$$

3.3 Minimum Call Completion Rate

A Customer can expect a call completion rate (number of calls completed / number of calls attempted) of not less than 90% during peak use periods for all FG D services "1+" dialing).

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 3 – DESCRIPTION OF SERVICE (CONT'D)

3.4 Service Offerings

3.4.1 Long Distance Service

Long Distance Service is offered to residential and business customers. The service permits direct dialed outbound calling at a single per minute rate.

3.4.2 800/888 (Inbound) Long Distance Service

800/888 (Inbound) Long Distance Service is offered to residential and business customers. The service permits inbound 800/888 calling at a single per minute rate. Service is provided from presubscribed, dedicated or shared use access lines. Calls are billed in six-second increments, with a six second minimum call duration. No monthly recurring charges apply. A \$10.00 minimum monthly billing requirement applies. Customers whose monthly usage is less than the minimum will be billed the minimum amount.

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 3 – DESCRIPTION OF SERVICE (CONT'D)

3.4.3 Travel Card Service

Travel Card Service is a travel card service offered to residential and business customers who subscribe to the Long Distance Service calling plan. Customers using the Company's travel card service access the service by dialing a 1-800 number followed by an account identification number and the number being called. This service permits subscribers utilizing the Company's travel card to make calls at a single per minute rate. Calls are billed in one (1) minute increments after the initial minimum period of one (1) minute. There are no nonrecurring or monthly recurring issues. No travel card surcharge applies.

3.4.4 Prepaid Calling Cards

The Company's prepaid calling cards are available in various minute denominations. Prices are inclusive of all taxes.

For billing purposes, call timing is rounded up to the next full minute increment after a minimum initial period of one (1) minute. These rates apply twenty-four hours per day, seven days per week.

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 4 – RATES

4.1 Long Distance Service

Rate per minute - \$0.25.
Plan is billed in full minute increments

4.2 800/888 (Inbound) Distance Service

Rate per minute - \$0.25
Plan is billed in six-second increments with a six-second minimum
Payphone surcharge per call - \$0.20

4.3 Travel Card Service

Rate per minute - \$0.30
Payphone surcharge per call - \$0.20

4.4 Prepaid Calling Cards

Rate per minute - \$0.30
Plan is billed in full minute increments
Payphone surcharge per call - \$0.20

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____

SECTION 4 – RATES (CONT'D)

4.6 Determining Applicable Rate in Effect

For the initial minute, the rate applicable at the start of chargeable time at the calling station applies. For additional minutes, the rate applicable is the rate which is in effect at the calling station when the additional minute(s) begin. That is, if chargeable time begins during the Day Period, the Day Rate applies to the initial minute and to any additional minutes that the call continues during the rate period. If the call continues into a different rate period, the appropriate rates from that period apply to any additional minutes occurring in that rate period. If an additional minute is split between two rate periods, the rate period applicable at the start of the minute applies to the entire minute.

4.7 Payment of Calls

4.7.1 Late Payment Charges

A late payment charge of 1.5% per month will be assessed on all unpaid balances more than thirty days old.

4.7.2 Return Check Charges

A return check charge of \$15.00 will be assessed for checks returned for insufficient funds.

4.8 Special Promotions

The company will, from time to time, offer special promotions to its customers waiving certain charges. These promotions will be approved by the Tennessee Regulatory Authority with specific starting and ending dates, and be made part of this tariff.

Issued: _____
By: _____

Todd M. Meislahn, President
2500 Industrial Avenue
Hubbard, Oregon 97032

Effective : _____